

Sir Robin Day has pneumonia

Sir Robin Day, the broadcaster, is in hospital with pneumonia. He was taken ill while presenting *The World at One* on BBC Radio 4 on Tuesday. Sir Robin, 58, is expected to spend several days in the hospital, which has not been named, and to be away from work for several weeks.

Dail in uproar over acquittal

The Dail, the Irish Republic's Parliament, was suspended twice in uproar after a dispute over the acquittal last week of the Prime Minister's election agent, Mr Patrick O'Connor, on charges of trying to vote twice in February's general election. Opposition members shouted "Watergate" and "Charlie-gate".

Showdown on Capitol Hill

Mr Reagan met Mr "Tip" O'Neill, the Democratic leader, on Capitol Hill for a showdown on his stalled 1983 budget. The bipartisan negotiations are deadlocked on the issues of military spending, tax cuts and social security benefits. Page 8

Protests by NHS unions intensify

More unions have decided to protest against the Government's refusal to improve on its pay offer to nurses and ambulance workers, bringing the prospect of disruption to the health service. Page 2

New York paper in danger

The New York *Daily News* appeared to be in grave danger after its owners, the Tribune Group of Chicago, announced they had called their agreement to sell it to Mr Joe Allbritton, a Texas financier.

Vegetable ban

Imports of Italian leafy vegetables have been banned for two months from tonight to prevent an infection of British crops by Colorado beetles. Page 2

Israel branded

Despite bitter United States protests, the General Assembly overwhelmingly condemned Israel for repression in the occupied Arab territories, branding it as a non peace-loving UN member. Egypt abstained. Israel violence, page 8

Appeal by Prior

Mr James Prior, Secretary of State for Northern Ireland, appealed to Ulster politicians not to reject without trial his White Paper on a system of devolved government. Page 2

Botha meeting

Mr P. W. Botha, the South African Prime Minister, and Zambia's President Kannda have confirmed that they are due to meet in Botswana tomorrow. Page 8

BR losses cut

British Rail has reported a loss of £37m last year, compared with a loss of £76m in 1980, but the board expects revenue to drop sharply this year. Page 3

'Union Day' date

The TUC has declared June 10 as "Union Day", to be devoted to the explanation of the union's positive role in opposing labour law reforms. Page 2

Tories in lead

The popularity of the Government is at its highest since the election, with 39 per cent satisfied with its performance, according to a new MORI poll. Poll, page 2

Cash safeguard

The building societies have set up a formal scheme to give investors full protection in the event of a society running into cash trouble. Page 19

Leader page, 13
Letters: On the Falklands, from Mr Adam Roberts, and others; death penalty, from Mr Louis FitzGibbon. Leading articles: Falklands, British Airways. Features, page 12
Ronald Reagan's honesty over Britain's response to Argentina's action. Obituary, page 14
Sir John Widd

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Britain to blockade all ships and planes around the Falklands

A new blockade of all ships and aircraft within 200 miles of the Falkland Islands, to come into force at midday (BST) tomorrow, was announced yesterday by the Ministry of Defence. It also revealed that an Argentine prisoner of war had died in a "serious incident" on South Georgia.

In Washington, where an imminent British landing on the islands was considered almost inevitable, desperate attempts were being made to salvage the Haig mediation effort. But the military junta in Buenos Aires, while considering the latest American proposals, said it expected fighting within 48 hours.

Mrs Thatcher is to open today's emergency debate in the Commons, the fourth this month. Labour's National Executive Committee backed the line taken by Mr Foot about responding to the United Nations Secretary-General's appeal.

Task force puts on the pressure Thatcher to open crisis debate

By Henry Stanhope, Defence Correspondent

Britain is "closing" Port Stanley airport under a new blockade of all air and sea routes within 200 miles of the Falkland Islands which will come into force at midday (BST) tomorrow. The British Summer Time tomorrow.

Every ship or aircraft, military or civil — not just Argentine — which is found there without permission will be treated as hostile and may be attacked.

Since April 12 Britain has operated a Maritime Exclusion Zone (MEZ) under which all Argentine warships and naval auxiliaries have been deterred from entering the same area by the hidden threat of nuclear-powered submarines.

Yesterday's announcement in effect heralds the arrival in Falkland waters of Rear-Admiral John Woodward and his task force, whose aircraft and missiles will be able to enforce this far more comprehensive measure.

Psychologically, it will put yet more pressure on the Argentine and the Americans to find a more acceptable peace formula before fighting breaks out in the Falklands.

Militarily, it will seal off the Argentine garrison at Port Stanley from even the hope of further reinforcements, which since April 12 have continued to arrive by air.

Certainly, it will raise expectations, which are already high, of a British assault on the Argentine occupying forces.

Yesterday's statement read: "From 11 am GMT on April 30, 1982, a Total Exclusion Zone (TEZ) will be established around the Falkland Islands. The outer limits of this zone will be the same as for the MEZ established on April 12, namely a circle of 200 nautical miles from latitude 51 degrees, 40 minutes South and longitude 59 degrees, 35 minutes West.

From the time indicated the exclusion zone will apply not only to Argentine warships and naval auxiliaries but also to any other ship, whether naval or merchant vessel, which is operating in support of the illegal occupation of the Falkland Islands by Argentine forces.

"The zone will also apply to any aircraft, whether military or civil, which is operating in support of the Argentine occupation. Any ship and any aircraft, whether military or civil, which is found within this zone without authority from the Ministry of Defence in London will be regarded as operating in support of the illegal occupation and will therefore be hostile and will be liable to be attacked by British forces.

"Also, from the time indicated, Port Stanley airport will be closed and any aircraft on the ground in the Falkland Islands will be regarded as present in support of the illegal occupation and accordingly as liable to attack.

"These measures are without prejudice to the right of the United Kingdom to take additional measures which may be needed in exercise of its rights of self-defence under Article 51 of the United Nations Charter."

A Defence Ministry spokesman emphasized that the new zone applied to all ships and all aircraft of any country. It therefore applied to any Soviet spy ships which might be trailing British forces inside the zone. Any one who thought of being in the zone "will I presume have thought hard about the possible consequences."

Enemy wings

Principal Argentine combat aircraft are: 12 Skyhawk A4; Super Etendards (on carrier); 9 Canberra bombers; 68 Skyhawk A4 (fighter/ground attack); 26 Dagger fighter/ground attack; 32 Mirage (fighter/ground attack); 19 Mirage interceptors; 45 Pucara (Argentine counter-insurgency aircraft).

Notification of the zone was being given to aviation and hydrographic authorities, together with an explanation of how ships and aircraft with a need to be in the area could seek authority from the Ministry.

The spokesman said he was sure the Argentine officers concerned would be giving the matter some thought.

Neither Britain nor Argentina would find it easy to operate combat aircraft over the Falklands.

British-Israeli dispute over arms supplies

From Christopher Walker, Jerusalem, April 28

A serious diplomatic dispute has broken out between Britain and Israel over claims that the Israelis have been supplying artillery ammunition to Argentina to assist its emergency arms buying programme. At a reception in Jerusalem tonight, the acting director-general of the Foreign Ministry, Mr Hanan Bar-On, expressed "astonishment" to Mr Patrick Moberly, the British Ambassador, about a Foreign Office statement in London yesterday.

The wording of this statement, the Israelis complained tonight was "likely to enhance utterly unfounded rumours regarding Israel's position in the British-Argentine dispute and to distort her actual policy completely."

Mr Moberly was required to convey Israel's concern to London.

Asked on Israel radio what Britain expected of Israel, Mr Moberly replied simply: "I think we hope for understanding of our position and the issues at stake."

Big reorganization scheme for British Airways

By Michael Baily, Transport Correspondent

The ghosts of BOAC (British Overseas Airways Corporation) and BEA (British European Airways), laid to rest in 1974 but never really dead, will fly again next month. They will reemerge as the intercontinental and European divisions of a decentralized British Airways, with a third Gatwick, or charter division.

But in announcing the change yesterday, his second big step after last year's redundancy plan which cut staff from 58,000 to 42,000, Sir John King, chairman of British Airways, emphasized that the three divisions would stay together in one corporation even when British Airways is sold, in whole or in part, to private interests in 1983-84.

The original BOAC-BEA merger brought advantages Sir John said, but it went wrong by not doing what he was doing now. "People lost the sense of pride and identity which just got lost in a large centre," he said. "The aim of the new management structure would be to restore interest and pride, to give a competitive edge, interest, and standing, to the people who actually ran the businesses."

So far as the public were concerned, it would still be British Airways; but he hoped customers would notice a difference because the managing director of each division would be dedicated to giving them what they wanted. "It is about wanting passengers to want to fly this airline rather than others."

Results this year would be "pretty awful", Sir John added, with a redundancy bill of £200m or more added to an operating deficit that would, however, be rather lower than last year's when the total loss was £141m.

Because of staff reductions that would save £150m to £200m a year, and other measures, he expected British Airways to go into the black towards the end of this year, and 1983-84 to be "quite a decent situation". That would be the time to talk to the Government about financial reorganization, once the airline had become profitable again. And that would be the time when the staff could expect better wage rises.

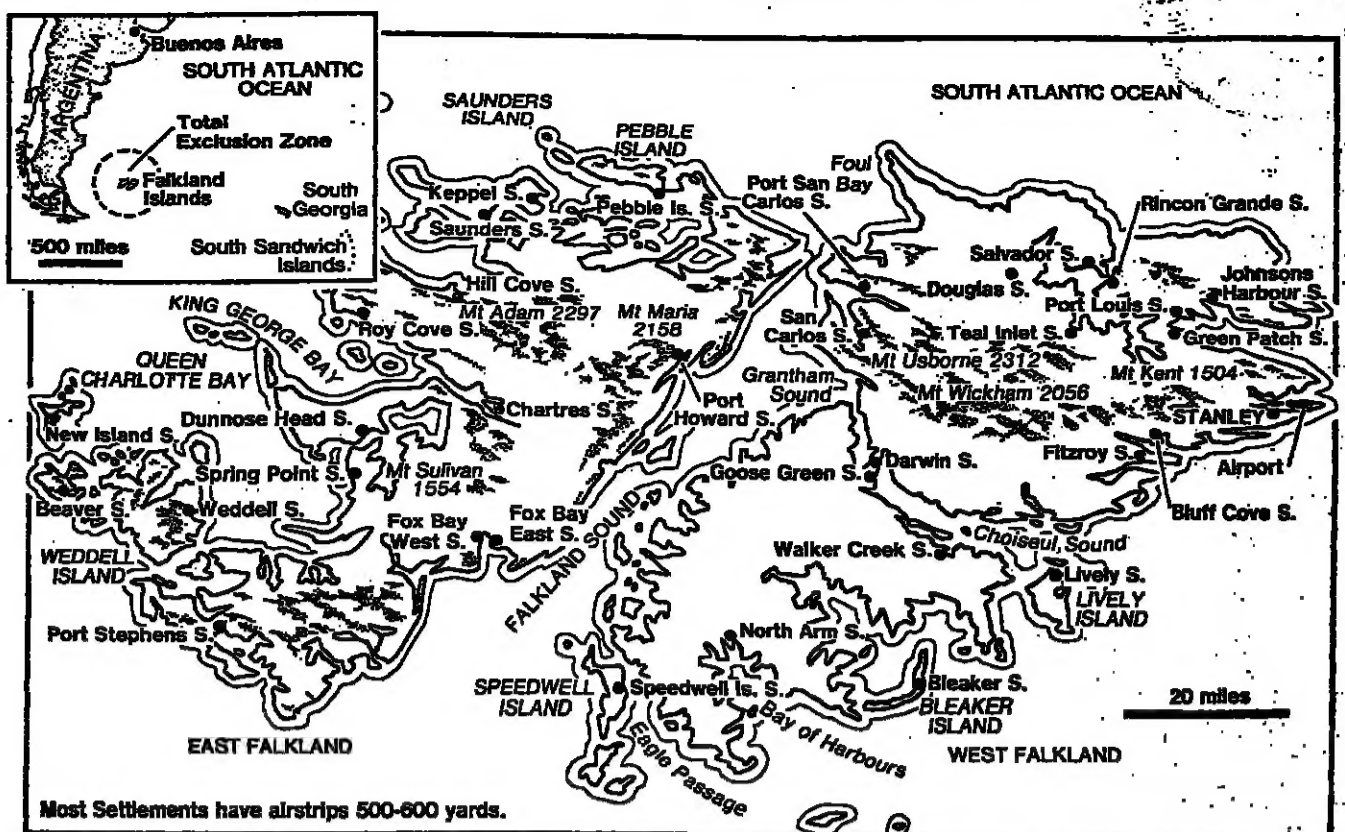
He was not under pressure from the Government to sell assets, such as the IAG telecommunications subsidiary, which was a good business, and the helicopter subsidiary, which was quite a good business. But it may turn out to be necessary to sell some assets — "nothing is sacred in this shakedown" — and that could include the corporation's minority interests in hotels around the world.

A central organization would be retained for flight operations, economic planning, engineering, legal affairs, public relations, and so forth. Sir John said. The operating subsidiaries would be free either to go elsewhere for services, or charge the centre the extra cost of using in-house services.

The main aim of the changes was "to put greater emphasis on profitability by giving managers greater freedom to plan and run their own activities, and making them directly accountable."

There were "massive difficulties still to be overcome, but I am confident that, with the continuing dedication of staff, the long overdue return to profitability can be achieved."

Leading article, page 13



East and West Falklands: the scattered settlements where the islanders may have taken refuge

US makes last-minute peace effort Haig ready to go 'anywhere any time' to prevent war

From Nicholas Ashford, Washington, April 28

With a British landing on the Falkland Islands considered almost inevitable, the United States was today desperately trying to salvage its three-week-old mediation effort, and to persuade Britain and Argentina to accept its proposals for a peaceful solution to the dispute.

A State Department spokesman today denied reports from Buenos Aires that Argentina had rejected a request by Mr Alexander Haig, the Secretary of State, to make a further visit to the Argentine capital to discuss settlement proposals.

The spokesman said that Mr Haig had transmitted the latest American proposals to Buenos Aires earlier this week, and had also presented them to Senator Nicolas Costa Mendez, the Argentine Foreign Minister, when he arrived here on Sunday to participate in the meeting of the Organization of American States (OAS).

Mr Haig was prepared to go anywhere at any time if Britain and Argentina felt that he could be of help in preventing the two countries from going to war in the South Atlantic, the spokesman said.

There has been considerable confusion — caused partly by a series of conflicting reports from Argentina — about the status of Mr Haig's peace mission, and the nature of the latest American proposals.

On Sunday, Senator Costa Mendez said that Argentina was not ready to accept the United States proposal, but he added that the time being, because of Britain's reoccupation, of

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South Georgia. However, American officials pointed out that Mr Haig had had numerous telephone conversations with Senator Costa Mendez since his arrival in Washington, and had also had at least two meetings with him during the OAS meeting.

The State Department said that the proposals which have been submitted to the Argentine are the same as those presented to Mr Francis Pym, the Foreign Secretary, when he was in Washington last week. The spokesman noted that neither Britain nor Argentina had rejected the proposals, though Britain has said that parts of the American plan were "unacceptable".

The spokesman denied Argentine reports that President Reagan had submitted his own settlement plan to Argentina. The Administration was united in its approach to the Falklands dispute, the spokesman said.

Although American officials are trying to convey the impression that their peace initiative is still very much alive — "this is not the final round of discussions", the spokesman said — they have not disguised what they believe to be the gravity of the situation.

"The crisis has reached a critical point", the spokesman said, adding that the United States hoped to receive a detailed response from both countries before

further blood was shed. "There is no ultimatum and no deadline in responding to the American proposals, other than the reality that the movement of military forces poses a great danger of further escalation", he said.

Officially, the United States is not divulging the contents of its latest proposals, except that they are refinements of ideas evolved during Mr Haig's talks with the British and Argentines. But American sources said that they call for Argentina to withdraw its forces from the Falklands, in accordance with Security Council resolution 502, and for Britain to ease its naval pressure around the islands.

The defusing of the military situation would then be followed by negotiations over the future of the islands, in which the islanders would have the opportunity to express their views. During this interim period the United States would monitor the withdrawal of forces, although it is unclear whether the proposals suggest direct involvement of American military units.

The proposals are intended to get round the two main sticking points in the negotiations — Argentina's insistence that its sovereignty over the islands be guaranteed, and Britain's insistence that the wishes of the islanders should be paramount.

□ Buenos Aires: Argentina was tonight braced for war within 48 hours, despite the apparent arrival of fresh peace proposals from the United States (Christopher Thomas writes). "We have an

Continued on back page

Argentine prisoner dies in 'incident'

By Henry Stanhope Defence Correspondent

One of the Argentine prisoners captured in the battle of South Georgia last Sunday, has died in a "serious incident" on the island.

Announcing this yesterday, the Ministry of Defence said that it had notified the authorities who are looking after Argentine interests in view of the break in diplomatic relations between London and Buenos Aires.

The incident occurred on Monday, but the ministry has only just learnt the name of the dead man and does not yet know other details.

A board of inquiry has been established in South Georgia on ministry instructions and has been asked to complete its investigation with all urgency. The ministry spokesman said that the measures taken were in accordance with the Geneva Convention.

The dead man was one of 156 taken prisoner on South Georgia. Sixteen of them were captured at Leith, but the incident is believed to have happened at Grytviken. Some 38 Argentine civilians are also being looked after by the British who are controlling the island.

So far, British and Argentine troops taken prisoner have all paid tribute to the humane treatment they have received. All British marines have been safely returned to Britain by the Argentines and the British Government has already made it clear that the prisoners on South Georgia would be repatriated to Argentina.

The ministry spokesman indicated yesterday that 13 British scientists and two women who had been making a wild-life film on the island were in the process of moving to the British military encampment at Grytviken from the remoter part of the island where they had been working.

Whatever happened to JAW, JAW?

Continued on back page, col 1

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Leading article, page 13

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Rail loss down, but board predicts revenue slump

By Michael Bailey, Transport Correspondent

British Rail yesterday reported a loss last year of £76m compared with £76m in 1980. But that was mainly because of £110m of extra grant unexpectedly announced in November by Mr David Howell, Secretary of State for Transport, to help passenger business over the recession.

The other area of improvement was freight, which had losses from £53m in 1980 to £25m, a remarkable achievement with industry at low ebb.

But in announcing the results yesterday, Sir Peter Parker, British Rail chairman, said that even without further industrial action, which most people in the industry are expecting when Lord McCarthy reports there will be a sharp deterioration in net revenue losses already amounting to £60m to £70m because of the January strikes.

"As I write," Sir Peter says in a special section of the annual report headed *The Crisis of Change*, we are awaiting the decision of the tribunal. Whatever the outcome, 17 days of strikes in the first six weeks of 1982 have seriously damaged the industry.

"There are no victories at the end of strikes which have weakened our financial base and taught our competitors how to mind our business."

But "the board is dedicated to modernizing the railway. That includes modernizing the pay and conditions of railwaymen and women; it also means deserving by proven performance a new approach to finance and investment."

"The Aslef (Associated Society of Locomotive Engineers and Firemen) strikes have disrupted the progress of recent years, but they have not diverted us from our objectives."

For the first time for four years British Rail failed to stay within its external finance limits, exceeding the £920m limit by £40m. That

was in spite of investment spending at £208m, being £9m below the permitted ceiling because of cash limit constraints.

The board is still hoping for electrification in spite of the tough new conditions set by the Government before approving further schemes. "I am convinced that the future railway will be electric," he says.

"On the Channel tunnel, he says: 'There seems now a real chance at last that the railway passenger by the end of the decade, might travel in comfort and at a reasonable price between London and Paris or Brussels in little more than four hours'."

The likely choice is a single seven-metre tunnel limited to rail in the first place. But Sir Peter says that "light at the end of the tunnel has proved so often a false dawn."

Highlights from the annual report are:

Passengers: Receipts passed £1,000m for the first time, 7 per cent up at £1,023m. But in real terms that was a drop of 4 per cent on 1980. Passenger journeys 718m were down 5 per cent, and passenger miles at 19,100m 3 per cent down.

About a third of revenue came from reduced fares and special promotions, with Railcards continuing to boost revenue. Coach travel intensified competition on routes and cost the board and estimated £10m.

Freight Losses were cut by more than half to £25m.

BR PASSENGER TRAFFIC, ESTIMATED RESULTS 1981

Direct expenses and revenue	Direct Expenses	Revenue	Contribution to indirect costs
	£m	£m	£m
Inter-City	344	472	128
London and South East	316	423	107
Other provincial services	141	88	(73)
PTE services	83	61	(22)
	884	1,024	140

Carriage increased slightly to 154 tonnes, with coal, iron, and steel up. But those gains were offset by falls in petroleum and aggregates.

The network of high-speed wagonload services to 72, and carriages to 3.5 million fell 15 per cent to 113m after withdrawal from the loss-making collected and delivered sector, but Red Star express parcels developed new service improvements.

Sealink: loss of £700,000; hotels a loss of £24m; property a surplus of £37m; and Freightliner a surplus of £100,000.

Manpower: Rail staff fell by 7,662 or 4 per cent in 1981, and total British Rail staff was down 12,428 to 227,252. In one year 12,700 railway establishment posts were abolished, a third of the 38,300 reduction sought over five years.

About 90 per cent of passenger trains arrived, on time or within five minutes compared with 89 per cent in 1980. The average journey was 5.33p a mile compared with 4.82 in 1980 and the government grant a mile 2.30.

Only 1.1 per cent of trains were cancelled compared with 1.4 in 1980, another statistic due to be knocked flat by Aslef disputes this year.

The Electrical Power Engineers' Association said at a time of mounting pressure on the board from unions in the power supply industry to ensure that British-sourced plutonium is not exported to the United States to assist President Reagan's expanding nuclear missile programme.

The E.P.E.A. concern followed Foreign Office confirmation of preliminary discussions between the British and United States governments on the possible export of plutonium.

The renegotiation arises from a deal made during the Wilson Labour administration when the Anglesey Aluminium smelter was established. Mr England explained in his statement that in order to make the use of electricity more attractive at the smelter, the CEBG agreed that valuable plutonium from Dungeness B could be transferred to the Department of Energy, one of the partners in setting up smelter. The clause has not hitherto been implemented because Dungeness B has not yet come on stream.

Mr England said that the arrangement had been made for "commercial reasons which seemed good at the time". But he added: "I am satisfied this needs action by the board, and action will be taken. The contract will be changed in a way that will restore to the board total control of the plutonium which has been produced. That will put this unsatisfactory situation right."

"I am not aware of any other route by which plutonium can leave the board's control. I believe we can maintain this separation between civil and military uses."

Lord Windlesham: 'Too many catch questions'

considerations were paramount, subsequent events had in several instances worked out differently from those envisaged. On satellite broadcasting, Lord Windlesham said five more television channels might sound a great deal, but they represented only the beginning. Two channels have been allocated to BBC and the Independent Broadcasting Authority has expressed interest in the three others. But he asked whether it was realistic to expect the independent companies to try to finance one or more of the new channels.

He said he favoured a system of open tendering, "getting right away from the rather squalid scramble to assemble a list of imposing looking names that may find favour with the members of a public authority dispensing patronage."

Some form of regulation would be needed to maintain standards, but he would rather see the detailed regulations added after the new regulations had been encouraged to take root, rather than devising restrictions and controls in advance.

He thought the Department of Industry should be authorized to seek tenders for the remaining three DBS (direct broadcasting by satellite) channels. It had the necessary technical knowledge to determine the shape and form of the tenders and to assess the relative merits of any bids that might result.

He had earlier said that it would be misleading to give the impression that the condition of semi-freedom in which broadcasting operated was all plain sailing. His impression was that the tide was running perceptibly more in the direction of greater restriction than of greater freedom.

On television the allocation of independent television franchises, he said: "The methods adopted and the decisions taken represent an arbitrary proceeding the like of which we have not seen for many a long day and I hope never will be allowed to occur again."

The impact of "this great lottery", the great upheaval in terms of the programmes screened on independent television, was showing itself to be minimal, he said. Where administrative and financial

recognition that there are sections of the community, particularly among the young, who are being further excluded.

The force had 60 coloured police officers on its establishment of 6,684, which was a higher proportion than any other in the country.

Sir Philip's big task was to see what extent the force could push forward the recommendations of the Scarman report dealing with the recruitment of officers from ethnic minorities, training, supervision and monitoring methods of policing, and more importantly, accountability.

A total of 188,230 crimes were recorded during the

year, an increase of 22,199, or 13.7 per cent over 1980. Muggings (2,000) and robberies (2,244) increased by 22.4 per cent after an 18 per cent increase in 1980. Domestic burglaries increased by 20 per cent.

Public confidence in the police would soon be eroded if their direction and control became a political issue, Mr Ronald Gregory, Chief Constable of West Yorkshire, said in his annual report, published yesterday (the Press Association reports).

"Impartial enforcement of the law is of little consequence to the underprivileged if their fears or grievances are ignored, and if the police are the symbol of

CEGB to close plutonium loophole

By Donald McIntyre, Labour Correspondent

The Central Electricity Generating Board is re-negotiating a contact with the Department of Energy to ensure that it maintains full control of plutonium which might be used by the United States for its nuclear weapons programme.

Mr Glyn England, the board's chairman, has privately disclosed to union leaders and staff that the agreement covering plutonium waste from the Dungeness B nuclear station is being renegotiated to close the only route by which British plutonium could leave the board's control.

At the same time, Mr England has pledged both to the unions and in a statement to staff at the Sizewell A power station, that the board will maintain a clear "separation between military and civilian use of any plutonium, of which it may dispose."

Mr England's unprecedented assurance comes at a time of mounting pressure on the board from unions in the power supply industry to ensure that British-sourced plutonium is not exported to the United States to assist President Reagan's expanding nuclear missile programme.

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The impact of "this great lottery", the great upheaval in terms of the programmes screened on independent television, was showing itself to be minimal, he said. Where administrative and financial

recognition that there are sections of the community, particularly among the young, who are being further excluded.

The force had 60 coloured police officers on its establishment of 6,684, which was a higher proportion than any other in the country.

Sir Philip's big task was to see what extent the force could push forward the recommendations of the Scarman report dealing with the recruitment of officers from ethnic minorities, training, supervision and monitoring methods of policing, and more importantly, accountability.

A total of 188,230 crimes were recorded during the

year, an increase of 22,199, or 13.7 per cent over 1980. Muggings (2,000) and robberies (2,244) increased by 22.4 per cent after an 18 per cent increase in 1980. Domestic burglaries increased by 20 per cent.

Public confidence in the police would soon be eroded if their direction and control became a political issue, Mr Ronald Gregory, Chief Constable of West Yorkshire, said in his annual report, published yesterday (the Press Association reports).

"Impartial enforcement of the law is of little consequence to the underprivileged if their fears or grievances are ignored, and if the police are the symbol of



One of the 150 handicapped children from London who were taken by 75 London taxi drivers for a day trip to Boulogne yesterday. P and O Ferries provided free passage from Dover for the children, taxis, drivers and helpers and Boulogne Chamber of Commerce organized a tour of the town and a small gift for each child.

MPs seek changes in college spending

By Lucy Hodges

The control of spending on higher education should be better coordinated, with one or more committees being set up to oversee the whole area, the Public Accounts Committee recommended yesterday.

In its eleventh report the committee said it was encouraged to hear that the steps taken in the universities were proving remarkably effective in controlling costs, and in reducing the need for government grants to be developed in the local authority sector to cut spending.

"We think it unfortunate, however, that these improvements have been delayed until many of the difficult decisions about closing or reducing facilities at universities have already been taken or are about to be taken," the report said.

It noted that 18.2 per cent more students were enrolled at polytechnics this academic year compared with last (in universities there was a 4 per cent drop).

The report added: "We consider that the new arrangements for local authority higher education would be developed urgently in conjunction with the University Grants Committee and representatives of higher education institutions so as to provide the means of allocating the total funds available for higher education to the best possible advantage."

At the same time the MPs welcomed the fact that the Government is seeking to assess the needs of each university individually in the light of national requirements. "We trust that the University Grants Committee will consider allowing a university to adjust to the needs of its own area of activity over a longer period than the three years objective if it can show in its own

case that this would be more cost-effective," they added.

On the question of staff redundancies, which are expected to cost £100m, the committee said it accepted that academic freedom must be protected by security against arbitrary dismissal, but it thought that the protection of academic freedom should be distinguished from immunity from genuine redundancy.

The other area examined by the MPs was overspending by voluntary aided schools of £2.8m in 1980-81. Those schools could claim for repairs without prior approval from the Department of Education and Science.

Procedures have now been tightened up and the department is now insisting that all repairs and minor capital work costing more than £100 should be referred to it first, for approval. The committee was concerned that this sum might be too low and recommended that it be reviewed at an early date.

The procedures of giving capital grants to such schools is also being changed and the department will henceforth be earmarking an allocation for them.

In an attempt to halt the decline in its numbers, overseas students and encourage others to apply to study, Leeds University is to award scholarships worth £1,000 to offset the full cost fees which, because of government policy, overseas students are now charged. Up to 70 scholarships will be awarded from October this year and about 100 from October next year (Ronald Kershaw writes).

Eleventh Report from the Committee of Public Accounts, Session 1981-82, (Department of Education and Science, University Grants Committee, House of Commons Paper 175, Stationery Office, £4.65).

Mr Thomas Skinner, the university secretary, was equally pessimistic about the future and aggrieved by the Government's attitude. He said that when the university made the savings requested by the Government just imposed further economies. A cut of 23 per cent in grant had been imposed at short notice in a university that less than two years ago had been actively encouraged to double the number of its students.

Professor A. Logie Walker, Dean of the Faculty of Medicine, said Aberdeen University made a greater contribution to the National Health Service than any other, yet it faced much bigger cuts than other medical schools in Scotland.

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University relents on staff jobs

From Jonathan Wills, Aberdeen

Aberdeen University teachers have won their fight against compulsory redundancies but the 487-year-old university still faces long-term decline because of government cuts.

The university court yesterday (Wednesday) informed the faculty, the body responsible for academic standards, that it had reversed its previous decision and that no compulsory redundancy notices would be issued this year.

In March, the court said that 57 academic staff would have to be made redundant for the university to balance its accounts. About 100 staff have already agreed to go voluntarily, in addition to 200 technical and administrative posts which were not filled when they became vacant.

The court's change of mind marks a significant victory for the Aberdeen Association of University Teachers. The union has called in a firm of accountants to prove that the university's deficit for 1982/3 would be only £150,000 out of a total budget of about £30m, and that compulsory redundancies were therefore unnecessary.

It is still possible that more than twenty academics will have to go in 1983/4. Dr Jürgen Thomanack, the local secretary of the union, and a lecturer in the German department, said yesterday that in spite of the resolution of the recent dispute over redundancies between the court and the faculty, the university was still depressed and demoralised.

Dr Thomanack said the union has been ready to sacrifice in an attempt to prevent the decline in Aberdeen's standards of excellence in teaching and research. Unfortunately, many of the best and most experienced teachers had accepted redundancy. The task of those who were left would be much harder.

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Firebombs wreck 24 buses

A firebomb attack on a bus in Armagh left 24 buses burnt out in Northern Ireland early yesterday (Craig Seton writes from Belfast).

Five masked and armed men held up two security guards at the Ulsterbus depot and planted incendiary devices in the vehicles, which were worth more than £800,000.

Before they escaped the men left a car across the entrance and police and firemen had to wait to find out if it contained a bomb. By the time the car was given the buses had been burning for nearly an hour.

Only for buses were left undamaged and several thousand schoolchildren and many workers left without transport. Yesterday the company said the wrecked vehicles would be replaced by the weekend.

Mr Robert Stonehouse, aged 43, of Beacon Park Road, Plymouth, Devon, saved five young children yesterday when fire engulfed a neighbour's house.

Mr and Mrs Clifford Escott, dropped them from a window. Firemen later rescued Mr and Mrs Escott.

Timothy Mills, aged 42, of Black Notley, Braintree, Essex, arrested at the Houses of Parliament on Tuesday, was charged with possession of a week by Bow Street magistrates yesterday charged with four offences of possessing offensive weapons and one of trespass.

The Duke of Gloucester officially opened the £3m South Lakeland Leisure Centre, in Kendal yesterday. During his tour of the centre, he tested the swimming pool for warmth and tried a bicycle in the fitness unit.

More than 300 manual workers employed by Peterborough city council went on strike yesterday in protest at the use of private firms to carry out house painting and central heating maintenance.

A group of 13 women from Nottingham and a woman from Leicester have shared a football pools win of £1,037,592. The Nottingham group won £534,364. The woman from Leicester, who won £503,328, preferred to remain anonymous.

The Royal College of Surgeons is trying to counter the impact on research of a £500,000 grant cut by holding an open week. Groups from industry, political and public life will be shown the latest surgical developments.

Fines totalling £560 were imposed by magistrates at Salisbury, Wiltshire, on 24 people arrested on Saturday during an animal rights demonstration at the chemical defence establishment, Porton Down. Fifteen other people were bailed to appear later.

Mr David Jay, a businessman, aged 32, has bought the magistrates' court in Linsdale, Bedfordshire, where the great train robbers first appeared after their capture. He paid £48,000 and plans to convert it into a home.

An airmail letter arrived in Bristol yesterday from Wyoming in the United States. It had been posted in 1948.

The prediction of private houses to be built this year should be 135,000, not 15,000, as stated on April 21.

Although a reporter's notes did not bear out some quotations used in a daily newspaper story the Press Council said it was not satisfied that the report did not accurately reflect what was said.

The Council did not

Politicians in Ulster must work together

ULSTER

Mr James Prior, Secretary of State for Northern Ireland, expressed the hope in the Commons that Northern Ireland politicians on both sides of the community would see the Government's proposals for devolved government of the province for what they were — a chance to govern themselves responsibly and in the interests of everybody.

Opening a debate on the proposals in the White Paper *Northern Ireland: A Framework for Devolution*, Mr Prior said it outlined the steps the Government proposed to take for the resumption of devolved government in Northern Ireland after eight years of direct rule.

The White Paper recognized the deep-seated and intractable nature of the divisions in Northern Ireland and made no exaggerated claims for the future.

There had been some improvement in the last few months in the security position, which was greatly to the credit of the security forces. But there was a continuing and determined effort by the Provisional IRA to thwart all efforts towards peace and stability.

There had been a sharp deterioration in the economic situation. The image of Northern Ireland as a violent community was a grave disservice.

The Government had made plain that the views of the people of Northern Ireland on whether or not to remain part of the United Kingdom would be respected. A united Ireland was a legitimate political objective if pursued peacefully and those who aspired to it were properly entitled to full participation in public life. But given the views of the majority of the Northern Ireland people on this issue constructive debate about the administration of Northern Ireland must take place in a United Kingdom setting.

He hoped none of the politicians in Northern Ireland would miss the opportunity the proposals afforded simply because they imagined that the future constitutional position of Northern Ireland which was the core of political division in the province, was up for negotiation between the two sovereign governments in London and Dublin. It was not.

Northern Ireland's constitutional future was, and would remain, a matter for the people of Northern Ireland, for her Majesty's Government, and for this Parliament. It would be folly for anyone to think otherwise.

There were a few in Northern Ireland who would seek to draw comparisons with themselves and the Falkland Islands.

We hope and pray (he said) that bloodshed can be avoided in the South Atlantic, but much blood had been spilled by our soldiers, the security forces and the police in Northern Ireland in their gallant fight against terrorism and murderers. We do not tire of our responsibilities, and we have not shirked them. In this week of crisis we seek a new initiative.

We have suffered losses in life, of resources (he said), in the cause of defending our people. The people of Great Britain are wholly steadfast in their resolution to support the campaign against terrorism. They ask in return that the people of Ulster should resolve to seek solutions to their own problems. In this all politicians can help. That much is expected and, I think, justly expected.

The House was being asked to make special provision for Northern Ireland in return for greater harmony. Parliament's consent to transfer of devolved powers would not be sought until widespread agreement had been reached between the Ulster communities.

Such an agreement (he said) is a prize of great value which would contribute greatly to the peace and prosperity of Northern Ireland.

The present proposals were different from those which had gone before. He was deliberately not suggesting what form a devolved government should take.

Leaders of both sides of the community in Ulster have criticized (he continued) because they have not been given what they wanted. Yet in no way could they have everything they have sought. Positions are too far apart for that, as what they have been saying clearly illustrates.

Agreed solutions now, before there was an assembly and before politicians had had chance to sit down and work together were simply not on. But doing nothing was not right, either.

We have attempted in this situation (he continued), to narrow some of the disagreements and to devise proposals which would allow them progressively to be narrowed further. That seems to us a way ahead — steadily to persevere along what I fully recognize will be a difficult path.

On the other, on security matters.

He wanted to make it plain that responsibility for security rested with the Secretary of State. Mr Enoch Powell (South Down, Off UU): Is it the case that under his proposals the assembly will have no power to debate security?

Mr Prior: Yes, it is. The Rev Ian Paisley (North Antrim, Dem U): Each local authority in Northern Ireland has security commitments. It is a bit of a farce that local councillors can meet police and Army chiefs and discuss matters that concern the right to live and yet the assembly would be denied this important task and responsibility.

Mr Prior: This is a matter for discussion as to what role the assembly could have. It is the firm view of the Government that matters of law and order must remain with the Secretary of State, while it is responsible to this House, at any rate for a period of time.

The Government would be prepared to discuss what other arrangements could be made to give to a committee of the assembly or the leaders of the parties on the assembly access to the Secretary of State to discuss matters concerning security. It is in that way that we could draw the Assembly and the Secretary of State closer together.

Thus from the outset an elected Northern Ireland assembly would, for the first time in eight years, directly influence policy. These arrangements would greatly improve direct rule by subjecting it to detailed local scrutiny. The assembly would have a crucial role in making direct rule more responsive to Northern Ireland opinion.

In parallel with these responsibilities the assembly would be able to make proposals for proceeding either directly to full devolution, with all the powers devolved in 1974, or to a devolved assembly and a Northern Ireland administration answerable to it, or to partial devolution, with only some responsibilities devolved.

I believe that, for example (he said), it should be possible for the assembly perhaps to agree on some of the less controversial powers and to leave the more controversial powers until perhaps the assembly has settled down and begun its work. I have a feeling that we ought to try to say that everything has to be devolved at once or that nothing must be devolved. If we do it in that manner, there is a chance that it may be successful.

The 70 per cent requirement related solely to proposals for devolution and not to voting in the Assembly once devolution had taken place. On key issues of confidence, the assembly might propose a specified majority but that would have to be settled by the assembly as part of the agreement leading up to devolution.

The proposals had avoided stipulating how the Northern

Irish administration should be composed. Appointments would be made by the Secretary of State and changes could be made after consultation with the parties.

His proposals did not end direct rule but had best been described by others as a do-it-yourself devolution kit. They offered the people of Northern Ireland the opportunity to come to terms with the realities of their situation. That opportunity should be taken.

Mr Dennis Canham, chief Opposition spokesman on Northern Ireland (Monmouth, Lab) said: The Opposition supported the general concept of the proposals but there were omissions and defects. Despite these misgivings, they would not be pressing for a decision.

The Opposition believed any proposals should be based on a direct rule by the Secretary of State. He knew from experience what would work and what would fail. He could not convince himself that the Bill was anything other than a cruel joke, a caricature and a Heath Robinson contraption.

Mr Prior: I would not dream of troubling the time of this House or trying to influence the people of Northern Ireland. I did not believe wholeheartedly the proposals I am putting forward.

he Rev Ian Paisley (North Antrim, Dem U) said he looked upon the proposals in two parts. There was the assembly and what it would do, and then the devolving of power to an executive in that assembly.

First there was the offer of an election. He believed in the principle of consulting the people. The people of Northern Ireland needed to be consulted. An election could do nothing but good. Let this be tested by the ballot box.

It was said that the Government had made no unilateral declaration in the White Paper of its determination to maintain the union. There was a time when the Government had been pledged to this proposition and failure to mention it, other than to say it would remain so long as the majority of the people of Northern Ireland wanted it, would give encouragement to those with guns in their hands and hatred in their hearts.

Mr Millan: Seven authorities are over the guidelines by more than 20 per cent. Thirty are over by more than 10 per cent. There is no justification for singling out these two.

Mr Younger: He is wrong. We are not concerned with authorities over the guidelines but with those planning to incur excessive and unreasonable expenditure. Is Mr Millan saying he would ignore one authority which contributed the third to the entire excess of Scottish authorities?

Mr Robin Cook (Edinburgh, Central, Lab): Will he take the point that the Labour Party and the Conservatives are both in the same boat? He has made arbitrary use of his powers. And the cynical timing of his announcement today will bring contempt on himself and his party.

Mr Younger: He does not understand. We are concerned with the authority which incurs excessive and unreasonable expenditure. He implies that he warmly supports the high spending levels in Lothian regional. I hope his constituents will note that.

Crimes recorded by the police in the Strathclyde region increased by 24,859 to 223,685 in 1981, excluding motor vehicle and miscellaneous offences. Mr Allan Stewart, Under-Secretary of State for Scotland, said at question time.

Mr John Macton (Glasgow, Lab): Who had asked for the figures, asked: These alarming figures in Strathclyde show the measures being taken by the Government to deal with the problem of law and order and of putting police on the beat and introducing the Criminal Justice

Act is not solving the problem and the situation would be improved by tackling the social causes of crime. Mr Stewart: In the Strathclyde region the police authority took the decision last year to operate at around 150 below the authorised establishment. That was their decision and as a Strathclyde MP I am bound to say my constituents are very concerned about that decision.

Mr William Walker (Perth and East Perthshire, C): The problems of the area are caused by many factors, not least the modern, trendy attitude towards standards of conduct. Mr Stewart: He is right in saying the cause of crime are very complex and not at all simple.

Younger: Further measures to come. Act is not solving the problem and the situation would be improved by tackling the social causes of crime. Mr Stewart: In the Strathclyde region the police authority took the decision last year to operate at around 150 below the authorised establishment. That was their decision and as a Strathclyde MP I am bound to say my constituents are very concerned about that decision.

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Prior: New initiative

Canham: Misgivings

HOUSE OF LORDS

Much of the cruelty in prisons was palpably unnecessary, the Earl of Longford (Lab) said when opening a short debate on the Home Secretary's proposals for reform of the prison system.

William Whitelaw (Con) said: The proposals of dividing every sentence of three years or under into three parts — imprisonment, supervised release and remission — placed the judges in a dilemma when passing a longish sentence in order to protect the public.

He was to fail in his duty to the public in passing a sentence which would be divided into three or to fail his duty to Parliament in passing a sentence which would nullify the three thirds rule.

There must be some form of discretion, he said, in non-application by the trial judge or some parole consideration interposed between the passing of sentence and release of the prisoner.

Please do not blame the judges (he said). The fault lies in successive Governments who have failed to spend any money on prisons year after year after year. It is not the fault of the judges.

Lord Avebury (L) said if remission was increased, the courts might tend to counter the effect by giving longer sentences. That was why a general reduction in the maximum length of sentences should be considered by the Government.

Lord Hailsham (C) said it should not be beyond the wit of men to have a central register of empty buildings to be used for hostels, secure units or prisons. People should be encouraged to have imagination and creativity, and use buildings already there instead of spending money on new buildings.

Lord Evershed-Morgan (Lab), for the Opposition, said the overcrowding crisis was so menacing that it demanded people's instant and best efforts to combat it. He pleaded for a crusading campaign relentlessly pursued to success. He pleaded for the closest monitoring by the Lord Chancellor's department to ensure the pattern of sentencing was constantly kept under scrutiny.

Lord Hunt (SDP) said that nothing would alter the situation for the better, not only with regard to prisons but also to incidence of crime, except the intervention of Parliament to shift the emphasis, effectively from imprisonment towards containment and rehabilitation in the community. The Criminal Justice Bill would reduce the adult prison population.

There was something to be said for giving executive release powers to the Home Secretary as a necessary measure, for granting amnesty to prisoners in the last part of their sentence in time of crisis. Composite sentences would have several advantages in reducing the prison population, and making enormous savings on the cost of keeping prisoners inside prison buildings and increased staff costs.

Lord Lane, the Lord Chief Justice, said that two criticisms had been made of judges — a general criticism that they were passing sentences which were too long, and a specific criticism that they vetoed a liberal proposal of the Home Secretary on penal reform or else threatened to rescind it if it became law. They were both completely unfounded.

The judges had been consulted on the proposal of dividing every sentence of three years or under into three parts — imprisonment, supervised release and remission — placed the judges in a dilemma when passing a longish sentence in order to protect the public.

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Unnecessary cruelty in prisons

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There was something to be said for giving executive release powers to the Home Secretary as a necessary measure, for granting amnesty to prisoners in the last part of their sentence in time of crisis. Composite sentences would have several advantages in reducing the prison population, and making enormous savings on the cost of keeping prisoners inside prison buildings and increased staff costs.

Lord Lane, the Lord Chief Justice, said that two criticisms had been made of judges — a general criticism that they were passing sentences which were too long, and a specific criticism that they vetoed a liberal proposal of the Home Secretary on penal reform or else threatened to rescind it if it became law. They were both completely unfounded.

The judges had been consulted on the proposal of dividing every sentence of three years or under into three parts — imprisonment, supervised release and remission — placed the judges in a dilemma when passing a longish sentence in order to protect the public.

He was to fail in his duty to the public in passing a sentence which would be divided into three or to fail his duty to Parliament in passing a sentence which would nullify the three thirds rule.

There must be some form of discretion, he said, in non-application by the trial judge or some parole consideration interposed between the passing of sentence and release of the prisoner.

Please do not blame the judges (he said). The fault lies in successive Governments who have failed to spend any money on prisons year after year after year. It is not the fault of the judges.

Lord Avebury (L) said if remission was increased, the courts might tend to counter the effect by giving longer sentences. That was why a general reduction in the maximum length of sentences should be considered by the Government.

Lord Hailsham (C) said it should not be beyond the wit of men to have a central register of empty buildings to be used for hostels, secure units or prisons. People should be encouraged to have imagination and creativity, and use buildings already there instead of spending money on new buildings.

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here at any time. It would take out 4,000 out of the prison population.

There were suggestions of amnesty for those on licence for which they should not be in prison — for drunkenness, prostitution, fine default or sleeping rough, and also for those wrongly convicted. He had yet to find anyone who had seen the *Rough Justice* film on television recently who did not agree that those three people serving years and still in prison were obviously innocent.

He had every sympathy with prisoners in these conditions, with prison officers who were pretty well reduced by the shortage of prison staff, turnkeys, and with prison governors who, having to choose between denying prisoners their rights and having difficulties in the supply of food, naturally chose not to have difficulties with the staff.

The only thing Home Secretary was short of was action and that was what was needed now. He alone could do it. The time for talking was gone — it was time to act.

Lord Donaldson of Kingsbridge (SDP) said Parliament should put a ceiling on the prison population and instruct the Home Office to make an automatic reduction of all sentences to end in the current year to bring the population down to the authorized figure.

Lord Elton, Under Secretary of State, Home Office, said, the Government believed there was scope for prison population to continue to protect the public.

In the last six months of 1980, the average length of sentence imposed on males of 17 and over by magistrates was one or two weeks less than for the same period a year earlier and average sentences imposed by Crown Courts fell by two months for the equivalent period. Shorter sentences were imposed for the same cases, but not necessarily in all.

An automatic reduction in prison lengths would impose a rigidity which was misguided in the sense that it would deprive counter-productive in practice.

The Government would not enter into any commitment at present to exercise the power, but would keep the question under review, so that if it was decided it was justified and practical to exercise the new power, it would enable them to do so without having to wait for another Bill to come before Parliament.

The debate concluded.

Parliament today
Commons (2.30). Questions: Northern Ireland; Prime Minister. Debate on the Criminal Justice Bill. Lord Chancellor of Justice Bill, report. Debate on EEC agricultural trade policy.

because of the economic policies of this government? Mr Stewart: I said there was no simple correlation and I stand by that. Throughout the period of the last Labour Government crime in Scotland rose and was rising sharply when they were in office. Mr Millan should be cautious.

Mr Walker said later: The unemployment levels in Perth are far below the national average, yet crime there is increasing. The trendy practices which have been carried out in schools and in the home have led to a breakdown in the standards of values, discipline and order. This has more to do with the level of crime than with unemployment and the level of crime.

There are certainly deep-seated problems affecting responsibility for law in our country. Where the TA/YSide police have exercised their power under Section 4 of the Criminal Justice (Scotland) Act to search for offensive weapons, out of 23 searches on 13 occasions they have found offensive weapons.

It is difficult to see in what circumstances unemployment leads to people carrying offensive weapons. Mr Stewart: How many of those searches could not have been carried out under the Prevention of Crime Act?

Mr Fraser: The figure I have given is the number of occasions when a specific power was used under the Act. That has similarly been used sparingly elsewhere in Scotland. When it has been used on a regularly high number of occasions that people have been carrying offensive weapons.

Bill to protect customers' payments
Mr Robin Squire (Haverhill, Hampshire, C) was given leave to introduce the Customers' Prepayments (Protection) Bill to provide protection for advance payments.

He said there was an increasing number of people who found, subsequent to the dispatch of money, the firm concerned had gone into bankruptcy or liquidation, with the result that the customer received little or nothing.

His Bill would provide that every prepayment, advance payment or deposit made by a consumer to a company should be placed in a separate account — the customer's prepayment account. That sum would be left in trust of the benefit of the customer and would not be available as capital, loan guarantee or other business purpose for the supplying company.

After the delivery of the goods or the supply of the service, the firm could withdraw from the customer's account the amount paid by the customer for that purpose. In the event of the firm's bankruptcy or liquidation, the sum held by the company would be repaid to him or her after the declaration of liquidation or bankruptcy.

UNEMPLOYMENT



Source: Dept. of Employment

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THE SUNDAY TIMES

Council spending out of line

SCOTLAND

Mr George Younger, Secretary of State for Scotland, was accused of demeaning his high office by singling out two Scottish councils for reductions because of their overspending.

The exchanges began when Mr Younger announced that he was satisfied with the proposed spending levels for 1982-83 by Scottish regional councils.

He said: Total expenditure by regional councils in 1979, or 7.5 per cent above the national average in the rate support grant settlement. The excess planned by Lothian Regional Council is £45m, that of the City of Edinburgh £30m. I have today served notice that, subject to my conclusions on any representations, I propose to ask the House to approve a reduction in the rate payable to the Lothian council of £45m.

I have served similar notice on Stirling District Council of reduction in grant by £1.5m. He concluded: I am considering the spending levels planned by other local authorities in Scotland and will announce any further measures as soon as possible.

Mr Michael Ancram (Edinburgh, South, C) said the statement about Lothian would be welcomed by ratepayers everywhere. (Lab protests) Will he confirm that, on a rough estimate based on £45m, that if that saving was returned to ratepayers, as it would be if a Tory admin £30m is returned on May 6, it would come to an average of about £60 a household. It would underline that the Conservative Party does care about ratepayers.

Mr Younger: Once more, I have been almost snowed under with representations about the ratepayers concerned about the practices of these areas.

It is difficult to speculate on exactly what will happen but it would appear that, taking the full £45m, the average household reduction would be about £60. The figure for an Edinburgh household would be about £300. Mr Bruce Millan, chief Opposition spokesman on Scotland (Glasgow, Craigston, Lab): Mr Younger's statement is a scandalous abuse of his powers. It has far more to do with the crumbling support of the Tory at next week's regional elections than anything else.

Far from there being a few authorities out of line, 56 out of 65 Scottish local authorities are in excess of his guidelines which are unrealistic. They are: Orkney 79 per cent in excess; Shetland 79 per cent; the singling out of Lothian and Stirling is another act of political spite and prejudice by him.

Mr Younger: He may wish to reflect more deeply. If he were in my position he could not ignore an authority planning to overspend by 22 per cent over the others.

I cannot suspend my statutory functions just because an election is in the offing. I have been under pressure to announce any changes as soon as possible because it makes it easier for councils to make savings.

Concern over too few policemen

Crimes recorded by the police in the Strathclyde region increased by 24,859 to 223,685 in 1981, excluding motor vehicle and miscellaneous offences. Mr Allan Stewart, Under-Secretary of State for Scotland, said at question time.

Mr John Macton (Glasgow, Lab): Who had asked for the figures, asked: These alarming figures in Strathclyde show the measures being taken by the Government to deal with the problem of law and order and of putting police on the beat and introducing the Criminal Justice

Act is not solving the problem and the situation would be improved by tackling the social causes of crime. Mr Stewart: In the Strathclyde region the police authority took the decision last year to operate at around 150 below the authorised establishment. That was their decision and as a Strathclyde MP I am bound to say my constituents are very concerned about that decision.

Mr William Walker (Perth and East Perthshire, C): The problems of the area are caused by many factors, not least the modern, trendy attitude towards standards of conduct. Mr Stewart: He is right in saying the cause of crime are very complex and not at all simple.

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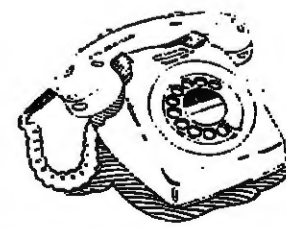
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FALKLANDS CRISIS

UN seen as last hope of saving Argentina's face

From Zoriana Pysariwsky, New York, April 28

The furore caused by the routine appeal for aid in the Falklands conflict, made by Señor Javier Pérez de Cuellar, the United Nations Secretary-General, has left officials at the world organization vexed, but not discouraged, by the heightened emotions inspired by the conflict.

British and United Nations officials are calling the episode, which has seen Britain forced to issue a statement implying that the Secretary-General was perhaps too fair and even-handed in his call for peace, a "tempest in a teapot".

The sequence of events shows that the British Government and the United Nations share the same objective, but not the same approach, and that the incident was coloured by mainly political considerations.

On Monday, after a day of agonizing over the proper response to give to the recapture of South Georgia, Señor Pérez de Cuellar issued a brief statement appealing to both Britain and Argentina to comply with Security Council Resolution 502.

He also said that the events in South Georgia served to illustrate the urgent need to halt the escalation of the conflict, a statement which could be interpreted as an attempt by the Secretary-General to limit Britain's military option.

The initial British response to the Pérez de Cuellar appeal indicated nothing amiss. A spokesman for the British



Señor Pérez de Cuellar. Took the point

mission said that the appeal was "impartial, neutral and an action to be expected from the Secretary-General". That evening Sir Anthony Parsons, the British representative at the United Nations, met with Señor Pérez de Cuellar, but British displeasure with the contents of the appeal was not yet publicly voiced.

It was only after a boisterous debate in the House of Commons with Labour MPs demanding that the Government respond to the appeal, that Britain felt compelled to issue publicly its reservation to the Secretary-General's statement.

Sir Anthony said, in a statement issued through his spokesman, that his Government could not accept the implication made by the Secretary-General that Britain had failed to comply with Resolution 502. He

ended the statement by observing that the Secretary-General had "taken my point". Which has led to speculation that Señor Pérez de Cuellar apologized for his insensitivity, a point which has been denied both by the United Nations and by British spokesmen.

Sources say that the Secretary-General had decided against berating Argentina and confirming Britain's right under Article 51 of the United Nations Charter to self-defence, in anticipation that the problem may again land in the United Nations lap and he may be called upon to offer services as peace-maker.

United Nations officials say that the Secretary-General has no magic formula that would quell the atmosphere of confrontation and settle the underlying issues of the dispute. He did believe, however, that the United Nations offered the best way for both Governments to save face, particularly for Argentina, which is felt to be more in need of a graceful way out of the situation.

Because of the belief that Argentina is in a more delicate situation than Britain, although this point could be debated, the Secretary-General has attempted to be as even-handed as possible. This emphasis has been heightened by the expectation that the United States will shift in the direction of Britain. It is felt that the United Nations will then be the only resort left for Argentina if it is to seek a peaceful settlement.

No mincing of words by Hurd

From Ian Murray, Strasbourg, April 28

There must be no doubt that Britain has the will and ability to stand by its commitments and to use "minimal force if necessary" to protect its rights, Mr Douglas Hurd, Minister of State at the Foreign Office, told the Council of Europe in Strasbourg today.

Reporting to the Council on the Falklands issue, Mr Hurd made it quite clear that while Britain was prepared to negotiate, it rejected any idea that it had started hostilities "since Argentina did that some weeks ago".

The recapture of South Georgia "was intended to show beyond any doubt that Britain cannot meekly acquiesce in the seizure of British territory and the colonization, for that is the accurate work, of British subjects".

He said: "We feel this should reassure rather than alarm our friends in Europe." Mr Hurd did not mince his words. The Argentine takeover of the Falklands was, he said, an invasion of a peaceful and democratic people by a powerful neighbour whose Government is characterized by its contempt for democratic institutions and human rights. All the indications were that Argentina intended to incorporate the Falkland Islands as its integral part without any pretence at consensus or persuasion.

Mr Hurd went out of his way to try to emphasize that Britain was not the aggressor. "History will bear this out when the records are published", he said. The tireless and courageous efforts of Mr Alexander Haig, the American Secretary of State, were continuing. But Britain was determined to show that it was ready to assert its rights.

There was a great deal of space for negotiations, he went on, but there could not be any negotiations with Britain while Argentine troops were still in the Falklands. Once they left, it would be possible to discuss a wide range of things.

Tomorrow, the Council is due to debate a recommendation from its political affairs committee expressing solidarity with Britain's declared aim of achieving a peaceful and fair solution and offering sympathy to the islanders.

An astonished civil servant at the helm

From John Witherow, with the task force in the South Atlantic, April 28

Rear-Admiral John "Sandy" Woodward, the commander of the task force, said today that he did not view himself as "the hawk-eyed, sharp-nosed hard military man, leading a battle fleet into the annals of history".

The admiral, who earlier this week spoke of the South Georgia operation as the appetiser for the heavy punch of the Falklands, was more reserved when he briefed the task force press corps aboard Hermes today. His earlier remarks had provoked some criticism from a small number of MPs. "I am very astonished to find myself in this position. I am an ordinary person who lives in South West London, in suburbia", Rear-Admiral Woodward said.

"I have been a virtual civil servant for the past three years, commuting into London every day." The task force could force a long and bloody campaign, he added. "I become very emotional talking about it. It would be with great reluctance that I would put anybody in the front line unless I am prepared to go there myself. I view every person, and every ship, every aircraft and every submarine — because I know so many of them — as individuals."

He said that there was no simple, short, quick military solution to re-establishing British administration on the Falklands while the Argentines resisted. "If it is a matter of shooting as well it will be a long haul. It's one we can do. But it's one we would rather not do for all the good reasons that nobody wants a long and bloody campaign. I am not in any doubt that unless people say

"let's stop" it will be a long and bloody campaign, and in my mind it's absolutely fundamental to try to avoid it."

He did not think it was easy for the Argentines. They had a lot of old equipment. He did not see the force, naval ships or submarines posing a very real threat. "Our task force is actually a pretty powerful one. And it must be a pretty daunting prospect to any of the Argentines. I think that the greatest danger is if they can manage to put all of their forces together, and that is terribly difficult to do."

Rear Admiral Woodward said he was conscious of being responsible for the task force and its 15,000 officers and men. "We are getting extremely close to the front line and this is a dangerous time. There has to be a political wish to go on negotiating and that will entail our waiting in a ready posture, as ready as we can be."

He hoped to be allowed to restrain the Argentines from further reinforcing the islands, "because that would be military sense whether it be politically feasible or not. So long as I keep people back home well informed of the military situation I can expect them to arrive at the right overall answer, even if it might not represent my own personal ideas."

He said that he would be very depressed if he did not think that there was still time for a diplomatic settlement. Newspaper reports in Britain that he had been given orders allowing landings anywhere on the Falklands except Port Stanley were "patently untrue", the admiral said.

Island teachers defy invaders

By Philip Venning of "The Times Educational Supplement"

Teachers of the Falkland Islands were the only group of public employees to defy the Argentine military government after the invasion according to the headmaster of the Port Stanley junior school.

Mr John Peatfield, who left the islands last week, says that the teachers refused an order to reopen the schools, declined to accept Argentine salaries, and taught pupils voluntarily in their own homes as a protest.

In an exclusive interview in tomorrow's issue of The Times Educational Supplement, Mr Peatfield and his wife, Anne, who was also a teacher at the school, reveal that immediately after the invasion Captain Barry Hussey, an Argentine naval officer, was put in charge of the islands' education system. He asked them to reopen the schools at once, and cooperate with the Argentine authorities until a new Argentine curriculum could be introduced.

After a meeting the teachers unanimously agreed not to collaborate, in spite of a warning to take over their jobs if necessary.

The Peatfields say that they did not wish to give the Argentines any opportunity for propaganda. In addition, a majority of children had left Port Stanley, because the two schools, a primary and a

The ambivalence in the Labour Party's attitude to the Falklands crisis, especially with regard to the use of force, has been implicit from the moment the crisis enveloped the House of Commons. Shadow ministers, however, have seldom admitted its presence even to themselves.

A number of them were openly scornful of Mr Eric Heffer's early Shadow Cabinet interventions on the Falklands crisis. The point he made was that, while not opposed to the task force, he was opposed to its use to recapture the islands.

One of Mr Heffer's senior colleagues later denied such dissent as naive, innocent and laughable. But Mr Michael Foot's speech to the Commons, in the recess debate on April 14, dispelled speculation that Mr Heffer was deliberately isolating himself from the Labour front bench.

In spite of the widespread view that the Labour leader's speech showed remarkable support for the Government,

the seeds of opposition were undoubtedly sown. Mr Foot said then, for example: "We must go on and on, again and again, seeking a peaceful method of settling this dispute. When Mr Foot sat down, Mr Heffer grinned at the press gallery above the chamber."

Mr Foot has effectively bounced the Shadow Cabinet behind his own view — then tacit, now almost explicit — that while it was correct to send the task force to bolster negotiation, he would not favour its use in an outright conflict.

The difference between that position and the early statements that there could be no "blank cheque" for the use of force is one of degree. No one would have expected a blank cheque for extreme military action but the use of limited force to force further diplomatic concessions from Argentina would not fall within the terms of a blank cheque.

Yesterday's National Executive Committee resolu-

tion was significantly, sponsored by Mr Foot, and Mr Denis Healey. It said: "In view of the further armed exchange between Argentine and British forces which has taken place over South Georgia island, it is imperative that the escalation of the situation be halted."

Meanwhile, it had gone largely unnoticed that Mr Foot was not the only one trying to bounce his colleagues. Dame Judith Hart, chairman of the Labour Party and of its national executive committee last week told the Parliamentary Labour Party meeting that party policy was set out in a Commons motion which demanded an immediate cessation of hostilities.

But in an intervention which delighted many Labour MPs, the indefatigable Mr Jeffrey Rooker, MP for Birmingham, Perry Barr, pointed out to Dame Judith that party policy, as stated in the 1980 draft manifesto, and a socialist foreign policy paper, published last Sep-

tember, went much further than this. Mr Rooker said that the draft manifesto (later rejected by the party conference) stated: "We uphold the rights of all peoples and nations to self-determination... We reaffirm our commitment that under no circumstances will the inhabitants of the Falkland Islands be handed over to any Argentinian (sic) regime which violates human and civil rights."

The same sentiment was expressed in the discussion paper which added: "Meanwhile, the rights of the Falkland Islanders to self-determination must be upheld."

Mr Rooker was also one of the sponsors of this week's Commons motion which, with irony, quoted the words of Mr Wedgwood Benn last month, in a lecture for Marxism, when he said: "There is clearly an inherent right to take up arms against tyranny or dictatorship, to establish or uphold democracy, or exactly the same

basis, and for the same reasons, that the nation will respond to a call to arms to defeat a foreign invasion, or repel those who have successfully occupied a part of our territory."

The MP commented: "We are giving Tony the same kind of support he gives to Michael."

The developing collapse of bipartisan support yesterday was accentuated when trade union leaders urged Mrs Thatcher not to engage in further military action (Paul Roudledge writes).

In a move that clearly presages a shift of opinion among organized labour and the parliamentary left, the TUC General Council warned of "the dangers of a widening bloody conflict, involving the armed forces and the people of the Falklands".

In a letter to Mr Francis Pym, the Foreign Secretary, Mr J. Murray, the TUC general secretary, formed common political cause with the Shadow Cabinet in asking for United Nations mediation

Benn quoted against Benn

By Anthony Bevins, Political Correspondent

Subtle manoeuvres unite Labour front bench



Sitting it out: Argentine soldiers sheltering in a dugout from the Falkland gales. Most of the occupying forces are young, inexperienced conscripts.

Build-up of supplies on islands

From Christopher Thomas, Buenos Aires, April 28

Journalists returning today to Buenos Aires, on military orders from the crucial southern port of Comodoro Rivadavia, told of a constant day and night airlift of provisions and munitions to the Falklands, in a convoy of Hercules C130 transport aircraft, and at least one converted airliner.

In the event of a blockade the survival of the supply route will be crucial. As the savage South Atlantic winter draws in, 9,000 young Argentine soldiers are tonight huddled two to a tent in the harsh bleak countryside of the Falklands. Already the first snow flurries have fallen, and a biting wind blows across the almost treeless terrain.

Argentine state radio and television today repeated appeals to people to knit sweaters and bake cakes for the troops, an appeal that suggests they are ill-equipped to cope with the unfamiliar, bitter and rapidly worsening conditions.

The only water-filtration plant on the Falklands is in the hills above Port Stanley.

Weather reports cleared

By Our Foreign Staff

Weather conditions in the South Atlantic have been declassified, apparently after The Times report that the Meteorological Office headquarters at Bracknell, which comes under the Ministry of Defence, had been instructed not to disclose any information about conditions around the Falklands.

The ministry yesterday denied that it had given any such instructions. A call to the Meteorological Office produced a satellite reading at 1 pm BST yesterday, which showed a broad band of thick cloud over the Falkland area, suggesting the weather man said, rain, temperatures slightly above freezing, and fresh to moderate north-westerly winds.

The same office had said on Tuesday that the disclosure of such information would be "a breach of security".

Task force ship owned by Chile

By Our Foreign Staff

The Tidpool, a 14,000-ton Royal Fleet Auxiliary tanker sold to Chile, is now helping the British task force. The Defence Ministry confirmed that the ship was being delivered to Chile and was at sea when the Chileans agreed that it could be used to help to refuel the task force.

It is being manned by Royal Navy personnel and a defence Ministry spokesman said: "Delivery has been delayed. He had no knowledge of any Chileans being on board." He also refused to comment on whether RAF aircraft were using Chilean air bases.

Tidpool was part of a £65m package deal with Chile which included the County class light cruiser Norfolk.

Four requisitioned Hull trawlers, pressed into service by the Royal Navy minesweepers, have left Portland for the Falklands. The Northerella, Farnella, Junella and Cordella were fitted with minesweeping gear at Rosyth.

Meanwhile, the British cable ship Iris, which has been requisitioned by the Ministry of Defence, was having its helicopter deck strengthened in Devonport dockyard before sailing for the South Atlantic.

Navy denial in film dispute

By Our Foreign Staff

The Royal Navy denied yesterday that it had asked ACTT, the film technicians' union, which is in dispute with the Central Office of Information, to lift its blacking-out of film shot by Navy photographers with the Falklands task force (Kenneth Gosling writes).

Radio Rivadavia, the largest radio station in Buenos Aires, telephoned the BBC in London yesterday with questions about the crisis. It carried out an interview with Mr Domingo Valenzuela, programme organizer of the Latin American Service, for broadcast later in the day in a current affairs programme.

Confrontation on roller skates

By Our Foreign Staff

Teams from Britain and Argentina are scheduled for confrontation on the opening day of the world rink hockey championships in Lisbon on Saturday.

Argentina holds the world title in this rough-and-tumble sport, similar to ice hockey but played on roller skates and popular especially in Argentina and Chile.

OAS chooses moderation

Costa Méndez plea rejected

From Nicholas Ashford and Mohsin Ali, Washington, April 28

Foreign ministers of the Organization of American States (OAS) voted 17-0 with four abstentions early this morning in favour of a moderately-worded resolution, which was seen as a diplomatic setback for Argentina.

Although the resolution called for Britain to cease hostilities over the Falklands, it did not contain any reference to the demand made by Señor Nicanor Costa Méndez, the Argentine Foreign Minister, at the opening of the OAS meeting on Monday, for the withdrawal of the British fleet from the South Atlantic.

Britain and Argentina were urged to declare an immediate truce. The resolution called for further peace negotiations and — as a Argentina — urged European countries to lift economic and political sanctions imposed on Argentina.

The preamble also stated that Security Council resolution 502 "must be fulfilled". This calls for an Argentine withdrawal from the islands, a lessening of hostilities, and a solution by diplomatic means.

The four countries which abstained were the United States, Trinidad and Tobago, Chile and Colombia. Colombia had submitted its own draft, which simply called for the provisions of resolution 502 to be met.

Those in favour of the OAS resolution were Argentina, Bolivia, Brazil, Costa Rica, Dominican Republic, Ecua-

dor, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela.

The final wording was an amended version to a draft submitted yesterday by Peru and Brazil, and supported by Costa Rica and Honduras. It took the foreign ministers 10 hours of debate behind closed doors, during which Señor Costa Méndez tried to win support for a tougher for of words before agreement was reached.

One of the main modifications was the deletion from the earlier draft of an expression of "profound satisfaction" to Mr Alexander Haig, the Secretary of State, for his attempts to find a peaceful solution. The agreed resolution merely took note of the information received about Mr Haig's negotiations.

Several countries, notably Venezuela, were annoyed at the speech given by Mr Haig on Monday in which he blamed Argentina for being the first to use force, and said that the dispute should not be treated within the collective security framework of the 1947 Rio Treaty.

Mr Haig's speech was given a frosty reception but, as one observer noted: "The Argentine Foreign Minister got a standing ovation, but little of real substance. Mr Haig was received with stony silence; but got what he wanted."

British diplomats said they regarded the OAS resolution

as "neutral". They said the organization could have had a damaging effect if it had voted for sanctions against Britain, had not referred to Resolution 502, or had given full-blooded support to Argentina.

British officials were disappointed, however, that the resolution recognized Argentina's claim to sovereignty over the islands, and referred only to the "interests of the islanders", without making any reference to "self-determination".

OAS delegates said they thought Britain had got off lightly, despite numerous condemnations of British actions. The main reason for this, they explained, was the feeling among several countries that Argentina had placed itself in the wrong by using force.

Sources said that Argentina was shocked at the low level of support it received from the meeting.

[New York: Guyana is clearly apprehensive over the possibility of an imminent Venezuelan attack on its territory and has informed officials at the United Nations about its fears (Zoriana Pysariwsky writes).]

Mr Noel Sinclair, the Representative from Guyana, yesterday met Señor Javier Pérez de Cuellar, the Secretary-General, and Mr Kamanda wa Kamanda of the United Kingdom of the Zaire, the Council. It did not seem likely, however, that Guyana would press for a council meeting at present.

Text approves sovereignty claim

Washington, April 28. — The following is the text of the nine-point resolution approved here last night by a special meeting of the Organization of American States on the Falkland Islands.

The twentieth meeting of consultation of foreign ministers resolves:

1. To urge the Government of Great Britain and Northern Ireland to cease immediately the hostilities it is carrying on within the security region established by Article 4 of the Inter-American Treaty of Reciprocity Assistance and to refrain from any act that could affect inter-American peace and security.

2. To urge the Government of the Republic of Argentina to well to the European Economic Community and other states of coercive measures of an economic and political nature which are prejudicial to the peace and stability of the region.

3. To urge those Governments to call an immediate truce that will make it possible to resume the negotiations aimed at a peaceful settlement of the conflict.

bearing in mind the rights of sovereignty of the Republic of Argentina over the Falklands and the interests of the islanders.

4. To express the willingness of the twentieth meeting of consultation to take immediate steps to transmit the contents of operative paragraphs 1, 2 and 3 of this resolution to the Government of Great Britain and Northern Ireland and of the Republic of Argentina, and to inform them, on behalf of the foreign ministers of this hemisphere, that it is fully confident that this arbitration will be received for the sake of peace in the region and the world.

5. To instruct the chairman of the twentieth meeting of consultation to present this resolution formally to the chairman of the United Nations Security Council.

6. To keep the twentieth meeting of consultation open, especially to oversee further compliance with this resolution and to take such additional measures as are deemed necessary to restore and preserve peace and settle the conflict by peaceful means.

Security Council and are in conformity with the charters of the United Nations and of the OAS and the General Agreement on Tariffs and Trade (GATT).

7. To instruct the chairman of the twentieth meeting of consultation to take immediate steps to transmit the contents of operative paragraphs 1, 2 and 3 of this resolution to the Government of Great Britain and Northern Ireland and of the Republic of Argentina, and to inform them, on behalf of the foreign ministers of this hemisphere, that it is fully confident that this arbitration will be received for the sake of peace in the region and the world.

8. To instruct the chairman of the twentieth meeting of consultation to present this resolution formally to the chairman of the United Nations Security Council.

9. To keep the twentieth meeting of consultation open, especially to oversee further compliance with this resolution and to take such additional measures as are deemed necessary to restore and preserve peace and settle the conflict by peaceful means.

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Polish steelmen learn to live with martial law

From Roger Boyes, Warsaw, April 28

Welcome to the militarized world of the Huta Warszawa steelworks where workers work, discipline is maintained and absenteeism is little more than a distant memory.

The Huta is a sprawling plant on the outskirts of Warsaw, the unpleasant part where nobody wants to live, and it has had its problems in the past. A Solidarity stronghold, a patchy strike record, a "spot of bother" as the technical director put it, after the declaration of martial law. Now production is roughly on a par with the average for the past five years (a million tonnes of high quality steel a year), productivity has increased by 3.7 per cent, the plant is working at 100 per cent capacity and the order books are full.

How has the plant managed to restore the work motivation of the workers, persuaded them to work overtime and the unpopular "four-day" shift (four days on, one day off, four nights on, one day off)? Does military rule produce economic miracles?

One could have asked the military commissar, a colonel, but he had unfortunately just left the office, nobody knew for how long or where. One could have asked the workers but unfortunately it was not possible to speak to workers in militarized factories without prior notification.

In fact, military control of factories works like this. The colonel has an office, his manager and has free access to all files. Because he has no expertise in steel making he makes few decisions but sits in on the weekly board meeting making notes in the corner. He complains about the lack of cleanliness in the factory, the sloppy turnout of the workers, the need for punctuality.

The colonel's three assistants — lieutenant-colonels — have the freedom to roam the plant looking for instances of waste or backsliding, but they rarely visit the shop-floors where uniforms are unpopular. In short, they are a controlling operation to reassure the workers that the management is on its toes and at the same time a symbol of discipline.

Being a militarized factory means that military regulations apply to the workforce. The management can and does order workers to work overtime, can reorganize shifts without consultation.

Under the military regulations, so adequately represented by the roving lieutenant colonels, absence from the workplace ranks as desertion and can thus be punished accordingly (that is, with a jail term or a hefty fine). The technical director says: "We have largely solved the absenteeism problem".

Not all industries of course

Pope puts off trip to Poland Glemp says

Vatican City, April 28 —

The Pope's planned trip to his native Poland in August will be postponed, Archbishop Jozef Glemp, Poland's Roman Catholic Primate, said today.

"I believe that the Pope's trip must be postponed for a little while," he told reporters at St Peter's Square after the Pontiff's weekly audience.

Asked if the trip would take place next year, the archbishop replied: "No, unless the situation (in Poland) calms down".

Vatican sources have said the Pope would not want to give any impression that he accepted the restrictions of martial law by visiting the country while the emergency measure was in force.

Asked whether it was the Pope who decided to put off the trip, Archbishop Glemp said: "This depends not only on us, but also the (Polish) Government and the situation".

The Pope's visit to Poland in 1979 helped set off a nationwide outpouring of nationalist and religious fervour.

He wanted to return to his country in August for the six-hundredth anniversary of the Black Madonna icon at the Jasna Gora shrine at Czestochowa.

WARSAW: A Polish Government official said today the authorities had no objections to the Pope's planned visit. He refused to comment further. — AP.

Americans lining up for Start Rostow after missile loopholes

By Richard Owen

The Reagan Administration is putting the finishing touches to its position on START, and is intent on avoiding "the errors of previous negotiations", according to Mr Eugene Rostow, Director of the United States Arms Control and Disarmament Agency (ACDA).

Mr Rostow told The Times that proposals from the Pentagon, the State Department and ACDA would be put before President Reagan this week. It is understood that Mr Reagan will discuss the final shape of the American position with the Nato allies during May, and will make a formal announcement about START by the time of the Versailles summit in June and the United Nations session on disarmament in New York the same month.

The main disagreement within the Administration has until now been over the "unit of account" to be used in the START talks, with some officials favouring methods of calculation involving numbers of missile warheads, and others arguing for "throw weight", or destructive power. The position now being formulated is thought to be a compromise involving both methods.

Previous strategic arms talks had mistakenly placed the emphasis on numbers of missile launchers, which had allowed the Soviet Union to build up an advantage in intercontinental ballistic missiles (ICBMs). SALT I, signed in 1972 by Mr Nixon and Mr Brezhnev, established only an interim freeze on ICBMs, and lapsed in 1977.



Rostow: In-fighting

SALT II was not ratified by the Senate, but is observed de facto.

Mr Rostow argues however that the Soviet Union has been able to exploit loopholes in SALT I and SALT II — including the provision in SALT II for the "modernization and replacement" of nuclear missiles — and has thus gained the edge. Soviet commanders, he suggests, will soon be in a position to "take out our ICBMs with only 25 per cent of theirs".

The resulting loss of nuclear parity has led to doubts in Western Europe about the credibility of the American nuclear guarantee, a development which Mr Rostow describes as "the most dramatic demonstration of the political meaning of nuclear weapons since Cuba in 1962".

The American approach is therefore based on arms reduction rather than limitation — hence the acronym START, replacing SALT —

with the proviso that if the Russians prove unwilling to reduce their arsenal, the Americans will have no option but to increase theirs. Mr Rostow remains "quite optimistic" about the prospects, "provided the Soviet Union itself wishes to reach an agreement based on the principle of deterrence". It was not true, he said, that the Administration had dragged its feet over arms control, and was only now responding to public pressure for a nuclear "freeze". The delay had been due to "normal bureaucratic in-fighting", which was now nearing an end, and to the crisis in Poland, which had made it "inappropriate" for Mr Reagan to make an initiative.

Salvador Assembly approves reforms

San Salvador, April 28 —

The rightist-dominated Constituent Assembly has ratified reforms made by the junta, but has solved further changes that would have hurt the middle classes. It has also called for changes to "perfect" the achievements of the previous administration.

The Assembly has adopted a resolution legalizing the actions taken before the March 28 elections under the land redistribution programme and the nationalization of banks and foreign trade. The key reforms sponsored by President Jose Napoleon Duarte to deny public support for the country's guerrillas.

This has apparently shelved the long-delayed second phase of the land reform programme, which would have turned middle-sized estates into peasant cooperatives.

The first phase of the programme hit El Salvador's tiny oligarchy of wealthy landed families by nationalizing holdings of more than 1,250 acres. President Duarte and his centrist Christian

Democratic Party argued that the peasants' belief in the land reform programme would be undermined if it was not extended.

The conservative parties have condemned the land reform and the nationalization of banking and foreign trade during the election campaign. But key members of the United States Congress made continuation of the reforms a condition for continued American aid in the war against the leftist guerrillas.

Major Roberto D'Aubuisson, the assembly's ultra-rightist president, and the other rightist officials of the legislative body have cancelled a session scheduled for this afternoon to debate the selection of a provisional president to succeed Senior Duarte.

The rightists had previously taken steps to trim the presidential powers as insurance in case the opposition of military leaders and the United States caused more moderate right wingers to help to elect Senior Magana. — AP

Berlin rioters out again

Berlin, April 28 — About 200 youths swarmed through Kreuzberg district in the American sector for a second successive night of rioting and looting that left eight police officers injured, 24 rioters arrested, and caused thousands of pounds' worth of damage.

Police said the trouble started late last night when

about 3,000 people demonstrated against Monday's eviction of squatters from a house in the district. The demonstration was largely peaceful, but afterwards several small groups gathered to fight scattered battles with police, loot stores, overturn police and private vehicles and start at least half a dozen fires. — AP

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Bush makes pledge to Taiwan

From David Watts, Singapore, April 28

Mr George Bush, the United States Vice-President, who is to make an unexpected visit to China next month, has obliquely reassured Taiwan that it has nothing to fear from the visit.

Mr Bush told a breakfast meeting of American businessmen on the second day of his visit to Singapore: "The United States will remain faithful to its treaty commitments." His reiteration of the United States position does not augur well for the forthcoming Peking visit at a time when Sino-American relations are at their lowest point since normalization under President Carter in 1979.

China is incensed at American plans to sell \$60m (£33m) worth of military spare parts to Taiwan under a defence commitment. The United States has already declined to supply Taiwan with advanced jet fighter aircraft saying that its defence needs could be met by the present generation of Freedom Fighters which the Air Force operates.

Though Mr Bush's visit is unlikely to produce any important change in attitude by either side, it may serve off what the Americans fear could be a downgrading of Sino-American relations if Mr Bush can convince the Chinese that the sale of spare parts is the minimum the United States can do.

Family seek help to quit Russia

From Michael Binyon, Moscow, April 28

Six Soviet Pentecostals rushed past guards outside the British Embassy last night and urged British diplomats to help them to leave the country. After being escorted out of the embassy, they were arrested.

The six — two men, two women and two children — said they were members of the Balak family and came from Krasnodar in southern Russia. They wanted to emigrate to Britain because they were harassed in the Soviet Union.

They had several times been refused Soviet exit visas and wanted the embassy to intercede on their behalf. They were told that while an application to go to Britain would be considered, British diplomats could not intervene until the family had first obtained exit permits.

The family left one hour later at about 10.00 pm, and were surrounded by 20 KGB security police who bundled them into waiting cars.

Six Pentecostals from Siberia have been in the United States Embassy since June 1978. A seventh, Miss Lydia Vashchenko, went on hunger strike in January to press their demands to emigrate but after being taken to a hospital returned to her native town of Chernogorsk. Yesterday one of her sisters said Miss Vashchenko and 11 brothers and sisters had been beaten.

500 Cubans leave Angola

From a Special Correspondent, Luanda, April 28

A first group of nearly 500 Cuban advisers have left Angola in recent weeks, according to diplomatic sources here. About 400 of them were working for the Angolan Ministry of construction and had no further use for them.

The move, disclosed by the Cuban Ambassador in Luanda to a Third World diplomat, was prompted by the Angolan Government's inability to find useful work for them and not for any political reason.

The estimated 25,000 Cuban troops and civilian advisers still in Angola are paid in scarce Angolan dollars from Angolan oil earnings.

Many of the 6,500 civilian advisers are reported to be less useful than they were to the Angolan authorities as more Angolans gain experience in running the country.

It is not immediately clear whether other groups of Cubans will also return to Havana in the coming weeks.

Peace protest as Israel violence mars celebration

From Christopher Walker, Jerusalem, April 28

The thirty-fourth anniversary of Israel's independence was marked today by a further severe outbreak of violence in the occupied West Bank and Gaza Strip in which at least 12 Palestinians were wounded by bullets fired by Israeli soldiers to quell disturbances.

Five soldiers were also wounded in stone-throwing incidents, the raising of illegal Palestinian flags and the setting up of blazing barricades. The violence was part of a new cycle of unrest which broke out on Sunday with the final handback of the Sinai to Egypt.

Tensions had also been exacerbated by yesterday's announcement by Mr Menachem Begin, the Prime Minister, that a government resolution would be put before the Knesset (parliament) next week to rule out the removal of any Jewish settlements as part of any future peace negotiations with the Arabs.

Today around 800 Jewish members of the left wing Peace Now Movement attempted to demonstrate near the occupied West Bank town of Hebron where Mr Ariel Sharon, the Defence Minister, was speaking at one of the eight new paramilitary outposts inaugurated in the occupied territories as part of the Independence Day celebrations.

The demonstrators, who arrived in a long cavalcade of cars and coaches, were harried by an army roadblock four miles from the ceremony. There they sang Israeli peace songs and raised banners with Hebrew slogans such as: "Peace is better than Greater Israel" and

"Settlement destroys the way to peace".

Several demonstrators managed to penetrate the military cordon and carry their protest to the site of Nahal Telem, the new outpost which was being formally opened by Mr Sharon, the Cabinet's chief architect of settlement expansion in the West Bank and Gaza Strip.

One of the Peace Now leaders, Mr Avraham Goldblum, a university science lecturer, said: "There are many Israelis who are now frightened that the Government's settlement policies are leading us straight to independence. We particularly object to the policy of settlement expansion in the West Bank and Gaza Strip."

Today's demonstration represented something of a revival for the Peace Now movement which has not countered settlement building in the West Bank for many months.

The worst outbreak of Arab-Israeli violence was in Nablus where large parts of the town were placed under curfew after clashes in which at least eight people were shot. One of the injured was named locally as Mrs Wisal el-Masri, a pregnant woman teacher, whose condition was described as satisfactory after she had been hit in the arm by a bullet.

An Israeli military spokesman said that in the Gaza Strip four Palestinians were hit when soldiers opened fire to disperse demonstrators in the Jebel Safi refugee camp. He said the four soldiers had also been wounded by stones thrown inside the camp. A fifth soldier was hurt during rioting in Hebron.

Syria wonders which way Jordan is going

From Robert Fisk, Beirut, April 28

King Hussein's letter of congratulation to President Mubarak on Egypt's recovery of the remainder of Sinai has raised fears in Syria that Jordan may soon join American-sponsored peace efforts in the Middle East. The king's message prompted leading articles in Damascus newspapers, all of which described Jordan as a "reactionary" regime.

At Beirut, the ruling party's newspaper in Syria, claimed that King Hussein's enthusiasm, as well as that expressed by King Hassan of Morocco in a similar letter to the Egyptian leader, "meant that they have joined the Camp David accords". The Jordanians themselves are, of course, placing a quite different interpretation upon their king's message to Cairo.

So far as they are concerned, Jordan is merely welcoming Egypt back into the ranks of those Arab states who feel no diplomatic obligations towards Israel, in the hope that Egypt will now be able to throw her weight behind international Arab efforts to secure a homeland for the Palestinians.

In a speech to the National Consultative Council in Amman, the nearest equivalent to a Jordanian Parliament, King Hussein said: "One of our dearest aspirations is to see the Arab nation, including Egypt, resume its march in unison, so that all Arab territories, first and foremost Jerusalem, will return to the Arabs."

For their part, the Egyptian Government have been

somewhat irritated by Arab efforts to capitalize on the return of Sinai. The Saudis, for instance, having permitted Israel to raise the issue, encouraged their neighbours to vilify Egypt for signing the Camp David agreement, are now claiming that the Israeli withdrawal was a result of the "pan-Arab" struggle. This is regarded in Cairo, with considerable justification, as palpable nonsense.

Thus when he replied to King Hussein's message, President Mubarak promised that his country would carry on the "peace process" with Israel and asked Jordan to "join" Egypt in its defence of Palestinian rights. Hence Syria's suspicion that King Hussein may throw in his lot with the Egyptians.

Meanwhile, in Damascus today, the Syrian Government gave a warning that they would use their Sam 6 anti-aircraft missiles in Lebanon if Israel decided to attack the Palestinians again. A statement attributed to an anonymous Government spokesman claimed: "Syrian missiles will hit every Israeli aircraft that flies within their range. This is a firm stand from which Syria will never renege."

The Lebanese were today more involved in the protest strikes that followed the murder of Sheikh Ahmed Assaf, a leading Sunni Muslim cleric, for the first time since the civil war here. Christians and Muslims joined in a general strike in Beirut.

Capitol Hill showdown on Reagan budget

From Bailey Morris Washington, April 28

President Reagan went to Capitol Hill today for a dramatic showdown over his stalled, 1983 budget with Mr Thomas "Tip" O'Neill, the Democratic leader of the House of Representatives.

They agreed to meet after the collapse late yesterday of a month-long series of bipartisan negotiations in which Democratic and Republican leaders attempted to work out their differences and agree on a compromise budget.

The negotiators emerged after a three-hour session at the White House yesterday, with the message that the talks were hopelessly deadlocked with both sides far apart on the key issues of military spending, tax cuts and social security benefits for the elderly.

It was at this point the Mr James Baker, the White House chief of staff, surprised participants by announcing that Mr Reagan intended to dramatize his promise to "go the extra mile" on the budget by driving across town to Capitol Hill for a meeting with Mr O'Neill.

The two political sparring partners, who have been trading accusations over the budget for the past two weeks, agreed to meet on neutral ground in the ornate President's Room of the United States Senate. Mr Howard Baker, the Republican majority leader of the Senate, was also invited to attend.

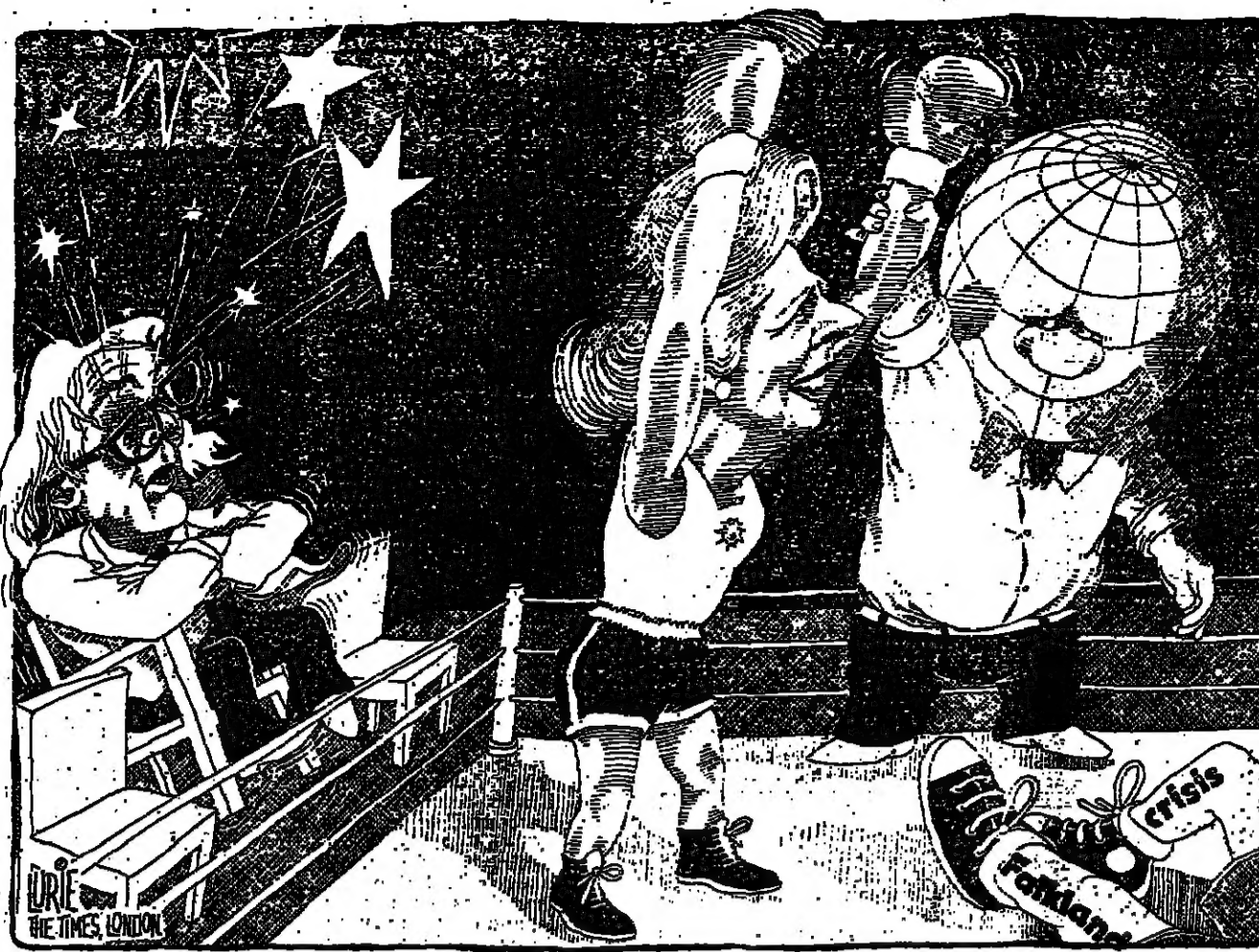
At the outset, members of both parties agreed that the task before the two leaders was both politically important and difficult. "Both can claim credit for having manoeuvred the budget talks into an impasse. And now both have to figure out a way to break it without getting blamed for it," a senior Republican who participated in the talks said.

If this last-ditch attempt to reach a budget compromise fails, it would trigger both a fierce debate over Mr Reagan's economic policies and severe criticism of the leadership of both men.

The potential for full-scale mutiny within the ranks of both parties has been apparent for weeks. Republican leaders in congress have been open in their criticism of Mr Reagan's budget.

Democrats, who have been equally critical of the budget proposals, have also been open in their dissatisfaction with the leadership of Mr O'Neill. Some younger Democrats, who chair important committees in the House, have privately accused the Speaker of deliberately sabotaging his own party members who were involved in the negotiations.

Based on statements made by the President and Mr O'Neill before the meeting, there was very real fear among members of both parties that the talks would fail.



Round one

Luxembourg meeting

Pym tries to end budget deadlock

From Ian Murray, Luxembourg, April 28

Farm ministers met here today in an attempt to agree an agricultural price package which could find the key to the year-old deadlock over how much Britain should pay into the EEC budget. The meeting was called because Belgium, which is the current President of the Council of Ministers, considered that progress was possible.

Belgium made this decision following yesterday's meeting here of the foreign ministers when the question of the EEC budget was the main item on the agenda. At that meeting, for the first time since the negotiations began last year, figures were put on the table. A clear sign that a settlement is in the offing.

There is, nevertheless, a very large gap between the amount which Britain is seeking and the amount which the other nine EEC members now seem prepared to offer Britain. For its part, Britain is prepared to remain a small net contributor to the budget although it is seeking a rebate of around £785m. The other nine countries are prepared to offer about £450m.

Mr Frances Pym, the Foreign Secretary, knows that this is a considerable gap to bridge but he showed during yesterday's negotiations that he could be prepared to cede on other points provided the final budget settlement is high enough.

For one thing, he seemed prepared to accept that any agreed deal would last for less than the five years which Britain until now has been demanding. For another, he promised to tell the British Government that the other EEC countries were anxious to break the link Britain has forged between a farm price settlement and the budget.

Logically, Britain has always argued that it is inevitable that this link exists, since any farm price settlement automatically has a direct effect on the size of budget payments. Mr Pym is as sure as his predecessor, Lord Carrington, that this logic holds good but at least he seems prepared to take into account the growing agitation among Europe's eight million farmers that there should be a quick settlement.

This puts the pressure on Britain in the farm negotiations to agree, at least in principle, to a farm settlement. Negotiations so far have already shown that an average increase of around 10.5 per cent on prices could be agreed and this would be a record one for the Community.

Were Britain to allow such a settlement to go forward then it might well be possible for other countries to consider it possible to put more money on the table in the form of a budget rebate for Britain.

Round-up of aliens stirs US jobless

From Ivor Davis Los Angeles, April 28

Over a thousand jobless workers in Los Angeles swarmed local companies looking for jobs in the wake of raids by the United States Immigration and Naturalization Service arresting over two thousand suspected illegal immigrants.

The operation code-named "Jobs" was launched on Monday simultaneously in Los Angeles, Fort Worth, Houston, Detroit, San Francisco, Newark, New Jersey, New York, Chicago and Denver. The raids will continue for the rest of the week on factories and stores believed to be hiring unregistered foreign workers at a time when unemployment is over nine per cent in the United States.

The raids drew harsh criticism from Hispanic groups who claimed that the highly publicized drive against the illegal aliens was nothing more than a public relations campaign to divert attention from President Reagan's economic policies, which are the real reason for the mounting unemployment.

Initial response appeared to support the Immigration Service's contention that Americans and legal residents would be willing to take the jobs if they were available, although Hispanic leaders, civil rights groups and union leaders have questioned that contention.

The Immigration Service says it arrested 1,000 to 1,500 aliens nationally when the week of raids is completed.

Botha sees Kaunda on Friday

From Ray Kennedy Johannesburg, April 28

Mr F. W. Botha, the South African Prime Minister, and President Kenneth Kaunda of Zambia are to meet on neutral soil on Friday for what could be a significant confrontation between the leaders of the last white-ruled state in Africa and the fading head of state of one of the key black countries in sub-Saharan Africa.

President Kaunda said the talks would concern the settlement negotiations over independence for Namibia (South West Africa) and the situation in South Africa itself, which he described as explosive. He said he had informed leaders of other black "frontline" states about his meeting.

Although there has been no comment by South Africa on the agenda for the meeting, it is firmly believed that Botha on the list will be Zambia, requests for assistance in supplying it with maize, the staple food of Africa.

Drought throughout South Africa has badly hit this year's crop, and although South Africa is as badly affected as any other maize-growing region, it has a surplus from last year's harvest which could prove to be a political lifeline to President Kaunda.

The initiative for the meeting was made by President Kaunda and Mr Botha gave the suggestion his qualified approval.

Observers in South Africa see President Kaunda's move as an attempt to retain Lusaka's place as the key centre of the African National Congress (ANC) and Swapo, campaigns against South Africa and South West Africa, although the reality is that Angola is now the principal state in negotiations between the "frontline" states and South Africa.

At the same time Mr Botha has not a great deal of room for manoeuvre. He has lost 17 National Party MPs to the new Conservative Party, led by Dr Andries Treurnicht, formerly both leader of the National Party in the Transvaal and a cabinet minister, and the prospects are high that more MPs will desert him when recommendations are tabled in Parliament next month, over limited political power-sharing with Asians and mixed-raced coloureds.

Both Mr Botha and President Kaunda need to return from their summit in the bush on Friday with something that will convince their supporters they still remain, in their respective spheres, the right men for the moment.

French hold 20 ETA militants

A routine identity check at Hendaye, on the Spanish border, at the beginning of this week has enabled the French police to arrest 20 members of the military branch of the Basque terrorist organization including 18 Spaniards, and two Frenchmen. It is the first time French nationals have been directly implicated in the activities of the ETA. With these arrests the police consider that the ETA organization on French soil has been smashed.

The police coup at Hendaye and at Dax also brought in weapons, a large sum of money, forged documents — passports, identity cards, driving licences and so on — photographic and electronic equipment, and a sophisticated radio transmission set.

A US diplomat escapes bomb

Athens — A home-made time bomb exploded under an American diplomat's car in the centre of Athens, police said. An extreme left-wing organisation calling itself Revolutionary Popular Struggle claimed responsibility.

The car was parked outside a private parking site and belonged to Mr Stasias Valerga, Second Secretary at the consular section of the embassy. It was the latest in a series of bomb explosions against American targets in protest against the presence of American military bases in Greece.

Professor's son held by KGB

Moscow — The son of a prominent Soviet professor, whose works have been published in Britain, has been taken to Lefortovo prison in Moscow charged with anti-Soviet activity, according to human rights campaigners here.

They said that on April 6 the KGB arrested 13 people in Moscow, Leningrad, Minsk and Kiev. Those held in Moscow included trade unionists, religious activists and socialists. Among the socialists was Boris Kagarlitsky, aged 21, whose father, Professor Kagarlitsky, is a frequent visitor to Britain and has had a book published on H. G. Wells.

Gunner jailed

Dortmund — Gunner John McDonald, 23, a British soldier whose joyride in a petrol tanker led to the death of a West German businessman, was given an 18-month jail sentence and banned from driving for two years by a German court. He was found guilty of negligently endangering traffic, negligent homicide and drunken driving.

Miners killed

Johannesburg — Four black miners have been killed in separate incidents at two Anglo-American Corporation gold mines. At Vaal Reef, south-west of Johannesburg, an earth tremor killed two and injured seven. A rockburst at Western Deep Levels killed two miners.

Minister quits

Seoul — South Korea's Interior Minister Mr Suh Chung Hwa, resigned in disgrace and was replaced by a powerful conservative, Mr Tae Woo after the authorities proved unable to stop the killing of 56 people by a drunken policeman at a weekend.

Mobs fired on

Delhi — Police fired into battling mobs of Hindus and Sikhs, killing one person and injuring 12 others in the holy city of Amritsar in Punjab. A 24-hour curfew was imposed after rioting which followed the discovery of severed cow heads in front of Hindu shrines.

France to back Quebec without interfering

From John Best, Ottawa, April 28

M. Pierre Mauroy, the French Prime Minister, has told Quebec that France will never again "abandon" it, but that the French Government intends scrupulously to avoid interference in Canadian affairs.

Addressing Quebec's provincial legislature in Quebec City yesterday, M. Mauroy said: "From now on, France will be here, quite present and attentive. She will not abandon you a second time... I say with passion: 'The people of France stand firmly beside you'."

Mr Mauroy was speaking at the close of a five-day visit to Quebec which took him to three provinces and included several hours of discussions in Ottawa with Mr Pierre Trudeau, the Prime Minister. He later flew home to France from Montreal.

His mention of abandonment was a reference to the 200 years after the 1759 English conquest of Quebec, during which France had minimal contact with its former colony on the St Lawrence River.

The French Prime Minister said that Quebec, now an economically powerful Canadian province, has a population of six million, 80 per cent of it French-speaking, was emerging from "an interminable winter."

"The heavy white shroud that covered you for so many years is now revealing all the promise of your fantastic rebirth."

He made it clear, however, that his Government has no wish to be drawn into quarrels between Quebec and the federal Government, and reiterated France's desire to "deepen" relations with Canada while maintaining a privileged relationship with Quebec.

"France, profoundly respectful of the rights of everyone, cannot allow herself the smallest interference..."



A helping hand: The Pope assisting a bishop who slipped during the Pontiff's general audience in St Peter's Square, Rome.

Hersant buys leading Grenoble newspaper

From Our Own Correspondent, Paris, April 28

With the announcement yesterday of the takeover of *Le Dauphiné Libéré*, the Grenoble newspaper, M. Robert Hersant, the owner of the largest press group in France, which includes *Le Figaro*, *L'Aurore*, *France-Soir*, and a string of provincial newspapers, added another feather to his cap.

But he has also revived the controversy about the growing threats to the pluralism of the French press, and raised doubts whether it is any better defended under a Socialist government than under its conservative predecessors.

Le Dauphiné Libéré had been in financial trouble ever since its divorce with *Le Progrès de Lyon*, the other leading newspaper in the Rhône-Alpes region, two years ago, in spite of a circulation of some 400,000 which made it the second largest provincial daily newspaper in the country, after *Ouest-France*.

Turkish activists face stiff prison sentences

Istanbul, April 28. — Colonel Suleyman Takkeci, the Military Prosecutor, demanded prison sentences today for a lawyer and an editor who had defended left-wing intellectuals accused of propagating communism.

Mr Drhan Ayyildiz, brother of Mr Drhan Ayyildiz, the Turkish Peace Association chairman, and Mr Oktay Gonenim, editor-in-chief of the left-wing newspaper *Gumhuriyet*, could go to jail for up to 18 years if found guilty.

Colonel Takkeci said both men had violated military degrees prohibiting political statements. Political activities have been banned in Turkey since the coup in September 1980.

Mr Drhan and about 20 others were arrested by the military authorities early this year, and charged with propagating communism, and having ties with the Soviet-backed World Peace Council. — UPI.

□ Ankara: Mr Haluk Bayulken, the Turkish Defence Minister, said here today, at the end of a two-day meeting of the Turkish-American Joint Defence Group, that it was "out of the question" for Turkey to participate in the Rapid Deployment Force" planned by the United States. Mr Bayulken also rejected any possibility of deployment in Turkey of "Euromissiles" or any other nuclear weapons (Rae/Gardiner writes).

A communiqué noted, however, that "the two sides

agreed that enhancement of Turkey's political, economic and military powers was rapidly assuming a vital importance for the peace and the security of the region."

Mr Richard Perle, a Deputy Secretary of Defence, led the American delegation. His Turkish counterpart, at the head of a top-level team of military and civilian experts, was General Necdet Ozturk, the Deputy Chief of Staff of the Armed Forces.

The communiqué also mentioned that "possible weaknesses in Nato's current defence and deterrent capabilities" had been studied at the meeting.

Turkey has been requesting American assistance for the procurement of arms, as well as in its efforts to develop an indigenous defence industry, within the framework of the two-year bilateral Defence Cooperation Agreement. This, in turn, grants Washington continuing use of a number of electronic intelligence stations and an air base.

The United States, however, while agreeing to provide assistance for some tank-modernization and ship-building projects, has been taking care not to commit itself to Turkey's ambitious plans to produce such sophisticated jet fighters as the F16 or F18. The Americans have advised the Turkish authorities to limit their plans to production of cheaper and less sophisticated F15 interceptors.

Saudis linked to Iran plot

An Iranian jailed for his part in a plot to overthrow Iran's Islamic Government has implicated Saudi Arabia in the attempt, the national news agency IRNA reported yesterday. (Reuters reports from London)

Mr Ahmad Abassi, son-in-law of Ayatollah Kazem Shariat-Madari, Iran's second-ranking religious leader, said in an interrogation shown on television on Tuesday night that Saudi authorities had promised

their full support for the plot, according to IRNA.

He said Hojatoleslam Mahdavi-Kani, a representative of Ayatollah Shariat-Madari, had met Prince Abdullah, the Saudi second deputy Prime Minister, to tell him about the aims of the plot.

Both Mr Abassi and Hojatoleslam Mahdavi-Kani are being tried by a military court and face possible death sentences.

Hurd says EEC must revive Mid-East role

From Ian Murray Strasbourg, April 28

Europe must not stand aside in the search for a solution in the Middle East, Mr Douglas Hurd, Minister of State at the Council of Europe assembly here today.

He gave a further clear hint that the EEC was on the point of a new Middle East initiative in his speech to the council in his role as president of its Committee of Ministers.

"Fresh ideas are now needed if fresh progress is to be made", he said. "Indeed, without fresh ideas what has already been achieved may be at risk."

He said that only patient negotiation between Israel and the Arab world could produce a settlement, but Europe should be "alert and imaginative in helping our friends in the area, and indeed our friends in the United States, in the task of bringing about a just and lasting settlement."

Begin remains firm against Palestine state

Jerusalem, April 28. — Mr Menachem Begin, the Israeli Prime Minister, today reaffirmed Israel's opposition to self-determination for Palestinians in the occupied West Bank and Gaza Strip.

"Autonomy yes, self-determination no", he said in an Israeli radio interview. "Israel will continue to oppose the creation of a Palestinian state and the granting of self-determination to the Arabs of Judea Samaria (West Bank) and the Gaza Strip."

He said the legitimate right of Palestinians "will be satisfied with the autonomy formula provided in the Camp David agreement."

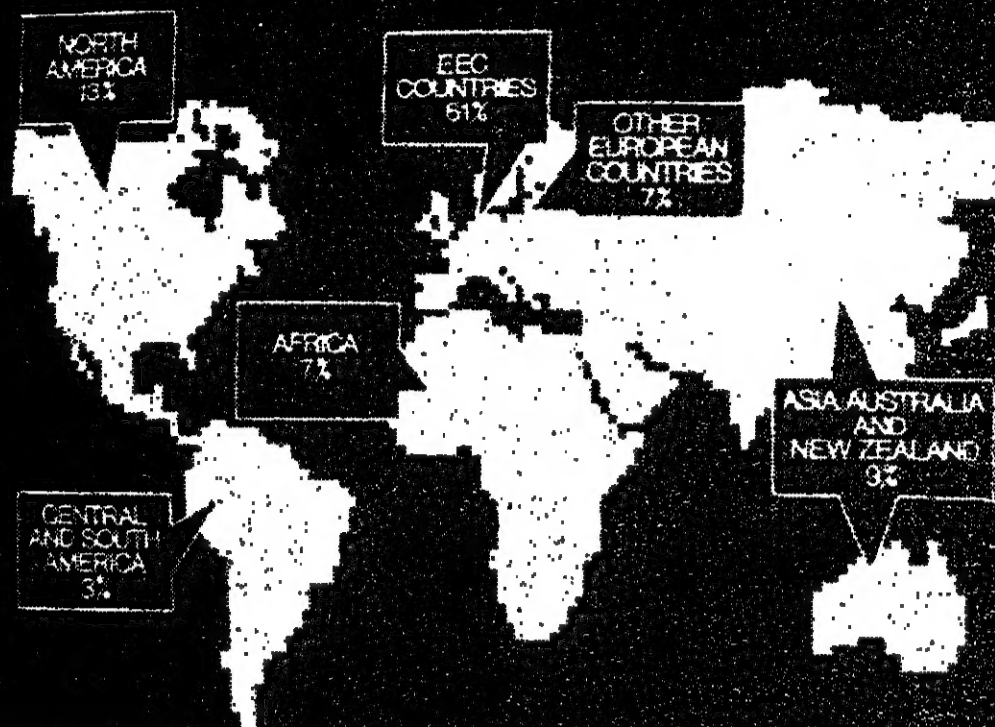
Israel, Egypt and the United States (the three signatories to the Camp David pact) should reach an agreement based solely on the formula, Mr Begin believed.

He had renewed his invitation to Egypt's President Mubarak to visit Jerusalem. "It seems to me that President Mubarak answered my invitation in the affirmative but I cannot be categorical since there was static on the line", Mr Begin said.

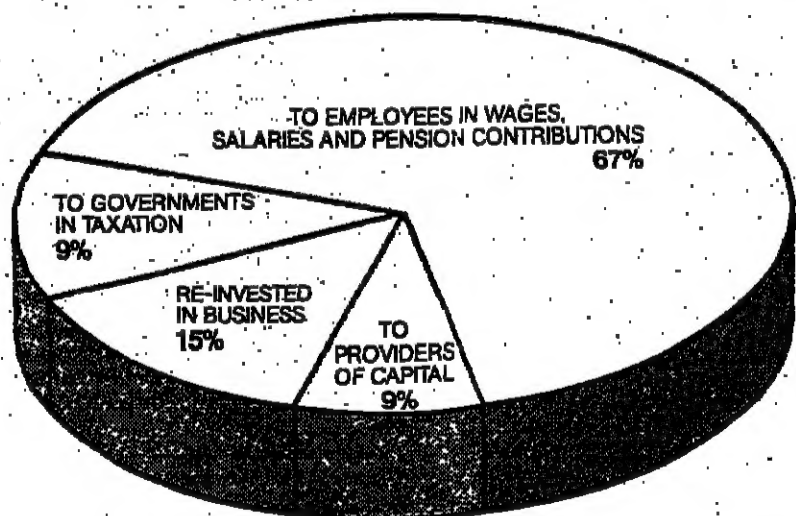
□ Cairo: Egypt has decided to give the name Sadat to the former Israeli town of Yamit in Sinai, after the late Egyptian President (Reuters reports)

Professor's son
held by KGB

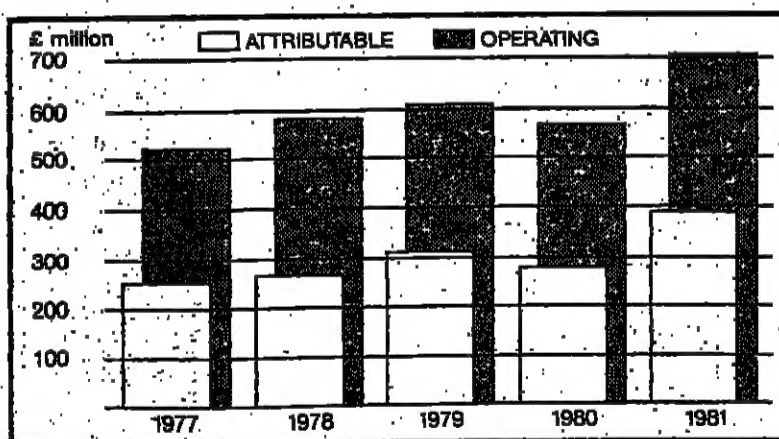
**Financial strength;
product diversity;
geographical spread.**



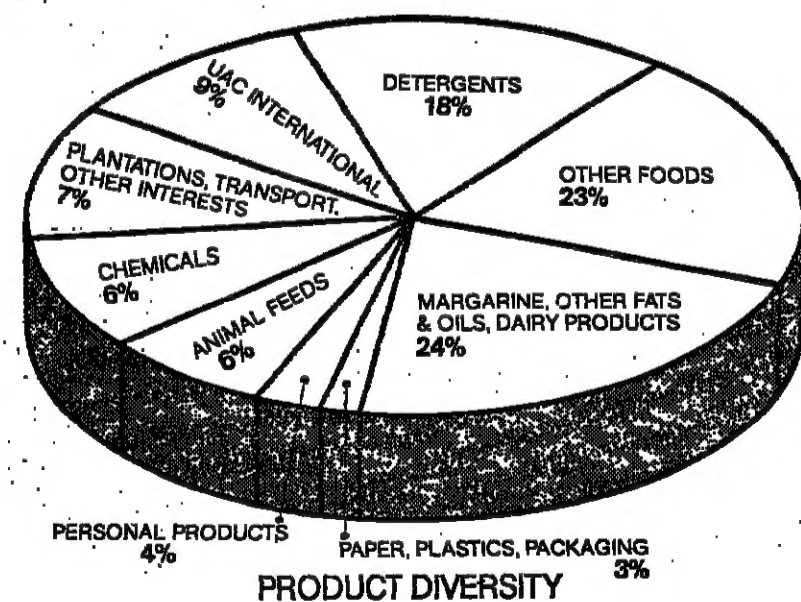
The facts behind Unilever's 1981 performance



£3.277 million VALUE ADDED



PROFITS



The year in brief

In a difficult year for trading, sales to third parties rose by 17% to £11,889 million. Our operating profit was £705 million, an increase of 22.6% over 1980.

Economic activity remained low in Europe and North America, and consumer expenditure was depressed. The rapid rise in unemployment was particularly disturbing, and inflation remained a problem. Falling export prices and debt servicing costs restrained growth in many developing countries, though a number of other countries' growth was good.

Despite these difficult conditions the wide geographical and commercial range of our activities enabled us to seize the opportunities offered to us where growth was good, while consolidating and improving our position elsewhere. We continued to increase efficiency and productivity by reorganising our operations where necessary.

Most of our companies selling goods to retail and consumer markets continued to maintain or improve their performances. Our companies selling goods and services to other industries were operating in markets seriously affected by over-capacity — but several of them showed a worthwhile improvement, the results of their efforts to increase efficiency and reduce excess capacity where it existed.

We were able to achieve a sales volume increase of two per cent, slightly lower than the increases in the last three years. Results showed a significant increase over 1980, but there were considerable variations between geographical areas and product groups. We devoted substantial resources to maintaining brands by theme advertising and in other ways, and to maintaining our research effort for innovation and product improvement.

Financial background

The outstanding feature affecting business during the year has been high interest rates, resulting in heavy finance costs. In these circumstances control of capital and cash management assume great importance, and we have been able to perform well in both.

Exchange rates behaved less erratically than in 1980, the change of most significance being the sharp rise of the US dollar against all other major currencies.

Prospects

There are no grounds for taking an optimistic view of the world economic prospects for 1982.

Consumer expenditure may well fail to rise. The world political scene remains full of uncertainties which do not help economic recovery. However, there is some hope that crude oil prices will remain stable, and that inflation will decline.

During 1982 Unilever will continue to improve the efficiency of its operations, and seek to go on strengthening its position in the market place.

Employees

Nearly 300,000 people, who work for the parent company and for its subsidiaries around the world, have put their efforts into the results on which we now report. We thank them for maintaining in 1981 the high standards on which Unilever's continued growth and success depend.

Copies of the 1981 Report and Accounts have been posted to shareholders and holders of debentures and unsecured loan stock of Unilever PLC.

If you would like to receive a copy of the Report and Accounts, please fill in the coupon.

**To: The Company Secretary,
Unilever PLC, PO Box 68,
Unilever House,
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1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.

Abstract

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Professional populist

William Cobbett
The Poor Man's Friend
By George Spater

(Cambridge, 2 vols; £15 each)

These substantial volumes constitute the first life of William Cobbett since G. D. H. Cole's standard work of nearly sixty years ago. George Spater justifies them by reference to new material that has become available. Another meritorious feature, not at all obtruded, is his intelligent account of Cobbett's personality. He is less historically expert than Cole, but he is psychologically shrewder. He picks out as a recurrent theme in Cobbett's life a certain cold-hearted purposiveness, ideal equipment for the professional public man, something very much at odds with his vivid picture of himself as a homesick John Bull, happiest in the bosom of his family.

Cobbett left his parental home, a Farnham pub called, with copywriter's aptness, "The Jolly Farmer", as soon as he could. He never seems to have made any real friends and associated with subordinates who were supposed to do his bidding or with important people who could be made use of, such as Francis Burdett and Lord Cochrane, the liberal admiral. Although faithful to his pretty, sub-literate, conventional wife he was often sick to death of her, bullied her and their four sons and spent his last years as much away from them as possible.

George Spater is an American lawyer and businessman (he was for some time the chief executive of American Airlines). Photographed with his bald head, rimless glasses and cashmere sweater against a background of hefty New York apartment furniture, he leaves us in no doubt of the fact. As is one of the best writers of plain English, there is less sign of nationality in his

prose. He thinks that "eke out" means "extract", and that "cynicism" and "sarcasm" are synonyms. But idiom is pretty much under control. Nothing is taken in stride; nor is anything in back of anything else. The writing is not memorable, but there are flashes of humour and much good sense.

George Spater's great service is to have read the twenty million words Cobbett published (as he points out, Cobbett was not only the most popular writer of his age, he was one of the most voluminous of all writers), a great deal of unpublished matter and a wide range of works on the political and social history of the epoch. His mode of approach focuses on Cobbett primarily as a political activist and as a journalist. Thus, in summing up Cobbett's achievement, he fastens on the facts that the signed article and the leading article as we understand them are Cobbett's inventions, that he produced the first cheap newspaper of any importance and the first paper to rely on a subsidy of some kind.

About his career as a radical Spater draws attention to the valuable element of moderation that lay behind the usually angry and often abusive rhetoric. Cobbett was always an anti-Jacobin, hating the kind of murderous bourgeois doctrinaires favoured on by people like Priestley. He helped to direct reformist energy towards the reform of parliament and away from the sanguinary orthodoxies of republicanism.

What does get left out in the cold a bit is Cobbett's place in the history of progressive ideas. Godwin is hardly mentioned at all (only as a critic of Malthus) and Paine principally figures as the main item of property in a posthumous farce. During his second stay in the United States in 1817 Cobbett felt that more fuss should have been made of him since his

death, poor and obscure, in 1834. So he secretly dug up Paine's bones and brought them back to England for glorious reinterment. Unfortunately there was no enthusiasm for the plan and twenty years later the bones made a last appearance at the selling-up of Cobbett's estate, since when they have been lost to view.

Cobbett began and remained a man of the people, untouched by the sort of corruption he had to fight, beside the practitioners of which modern party politicians are barely distinguishable from St Francis of Assisi. He was a great exaggerator and implied a lot of harmless falsehoods about himself in such idylls as *Advice to Young Men* which was written at a time when he was in a state of vehement combat with his nearest and dearest. In this, as in his prose, Cobbett is what Tolstoy would have become had he been an English yeoman of the late eighteenth century. He was usually in debt, but could never be bribed.

For someone so angry in the thick of battle with an unscrupulous and all-pervading system of government, grossly dishonest but not wholly inefficient, Cobbett comes out very well. The American and British courts who fined him with excessive vagueness, and in one case imprisoned him for two years, more than excuse his anger and hyperbole. Looking at Mr Scargill and Mr Heffer and the former Lord Stansgate, one realizes that England was lucky to have Cobbett and could do with another today. In his eye is to be seen the "honest anger" that Orwell saw in Dickens, not the poisonous emulsion of spite and despotic ambition secreted by our contemporary tribunes.

Anthony Quinton



Wild boar grubs for acorns from *The Medieval Health Handbook* (George Braziller, distributed by A. Zwemmer, £9.50). Dangers, apparently, they prevent menstruation. Neutralization of the Dangers: By eating them roasted and with sugar. Usefulness: They help retention. So there.

The son of grief at cricket

Shadows on the Grass
By Simon Raven

(Blond & Briggs, £7.95)

Cricket is not just the most beautiful and lucrative (and ruthless) of games. It can be taken as a parable of life. Indeed it often has been so taken, in prep school sermons about straight bats, properly blanced pads, and the Great Empire in the Sky with his finger up. Simon Raven has had the engaging notion of taking it as the framework for his early memoirs, from his first pair of sexy white flannels at the age of ten to the day that he and the Army finally parted company for each other's good.

However, those of you who cannot stick team games of any kind, not even cricket, at any price, need not be put off. The framework is thin. The cricket is occasional. It serves as a peg or stump for a stream of wonderfully entertaining anecdote, scurrilous, and laughter, scandal,

intrigue, and sentiment. Some of the notable episodes, like Jim Prior winning the Grand Drilling Match in the Deodall Transit Camp have not the remotest connexion with cricket.

Raven tells a story well, from pure Maupassant in the Brunswick cat house on the day that rain stopped play, to narrative of Petronian power and indecency when the facts of life are not so much discovered as invented at his prep school, to Hogarthian excesses by Raven Sahib in India and at Cambridge. Time wanders backwards to the Thirties and forwards again under a summer sun. The ground changes from Lord's to that archetypal public school square at Charterhouse to Indian pitches shaded by palm and casuarina. The parting list is a memorial team of eccentricities, from droll schoolboy William Rees-Mogg lecturing on the solitary vice as a mortal sin and wreaking a terrible vengeance as umpire, to Peter May, po-faced off, but angel at the crease, Bob Birley, Noel Annan, Jim

Prior, that marvellous Machiavel of stragglers on and off the field. If anybody doubted that he should be Prime Minister, they should read this book.

Raven says that he has made minor alterations of a few names and facts in the interest of civility. It is amazing how much has still got past the libel lawyer. It is a book that will upset prigs and puritans by its elitist views and its treatment of love, mostly the other sort.

It is in fact an honest and funny book, fundamentally about life and even occasionally about cricket. All cricketers secretly prefer to shine on a losing side rather than make a duck on the winning side. There is a moral distinction between a leg-gance man and a leg-sweep man. No cricketer likes anyone except himself to make more than 2. And when the shadows fall at the end of the season, we are melancholy but ripe with memories of golden summers.

Philip Howard

Changes down at the farm

Our Forgotten Past

Seven Centuries of Life on the Land

Edited by Jerome Blum

(Thames & Hudson, £12.50)

In 1750 there were an estimated 10 million people in Great Britain, eight million were peasants, and their life expectancy 30 to 35 years. So most of us spring from the soil, to which we shall eventually return. The "Our" in the title of this important book covers the root growth of all of us in the Northern Hemisphere, except China and the Far East.

It is a majestic work of academics from America, Britain, Sweden, France and New Zealand. Truth to tell, after the first chapter, I felt rather like a farmer facing 20 acres of sugar beet, all to be lifted by hand in a wet November. However, as I progressed, my spirits rose and a passion for the subject

carried me through. By any standard, it is a mammoth job to condense 700 years of rural history from America across to Siberia. It would make a good Leakey/Attenborough series.

I particularly enjoyed Dr Joan Thirk's chapter on "The Rural Economy". Our ancestors had it rough for about a thousand years up to the mid-eighteenth century when, what some describe as the Agricultural Revolution took place. In earlier times, farming was the lowest form of human survival. I was glad of the references to Coke of Norfolk and Arthur Young.

The latter, I have always regarded as the father of modern agricultural science. The book relates that even in those far off days pilgrimages were made from abroad to see what was happening on British farms. Technical development from then until now has been at an ever

increasing speed. In the past 30 years that I have been in agriculture, we have moved from ploughing 1½ acres a day with four Suffolk Punch horses to 35/40 acres a day with an 100 plus horse-power tractor.

The book could usefully become compulsory reading for all sixth forms and careers' masters. Most of the latter have little chance to appreciate the great potential for employment abroad in agriculture and horticulture. It is beautifully produced with illustrations to fit the text. The choice of colour reproductions of the Old Masters is worthy of a book on art. Our common rural culture — East and West — for hundreds of years comes across well in these illustrations — the suffering, the dignity and, despite all, great charm.

W. A. Lang

Nazi war child

A Model Childhood
by Christa Wolf

Translated by Ursula Molinaro and Hedwig Rappolt
(Virago, £8.95)

From Germany to Poland, the part that was once German, a curious kind of tourist trade had built up in the Seventies: the war-memory industry, unlikely, slightly lurid. Men and women, middle-aged, from both East and West Germany, drove en masse to the places where they spent their own Nazi-German childhoods. Bumper-to-bumper: a bonanza of the guilty. One supposes Solidarity has put an end to that.

Some, in the tourist traffic, bound homeward to the town which was their Landsberg, now something unpronounceable like Grozow Wielkopolski on the hottest day of the hottest month of summer. In July 1971, was Christa Wolf, East Germany's most eminent woman of letters (well that's what they all call her). The equivalent in Britain, where women of letters are not thick upon the ground, is a kind of Iris Murdoch/Margaret Drabble mélange though this mighty combination still comes out a bit too lightweight. With the eminent lady, who is, it must be said, in a state of some anxiety, profoundly conscientious-stricken in the red-hot East, travels her husband, who is quiet, wise and charming, her brother Lutz, who though he lived through much the same experiences — is not attuned to plumbing the depths of reminiscence, and Lenka, her sardonic teenage daughter.

What is past is not dead; it is not even past. We cut ourselves off from it; we pretend to be strangers. This is the end, after her Landsberg visit, Christa Wolf begins these memoirs, in the autumn of the next year. Interestingly, she echoes, presumably unconsciously, the title of an admirable book by Christabel Biles-Lewis, *The Past is Myself*, published late on in the Sixties, an account by an Englishwoman married to a

German of those same years in Germany. Interestingly, too, it is only a few weeks ago that Shiela Grant Duff's memoirs of the immediate pre-war period first appeared. There seems to be a pattern, a statutory time-lag, before those who were then young, and most especially female, can bring themselves to analyse the past which was the wartime. That lapse of time, it seems, is getting on for thirty years.

She remembers all the trivialities. The way her father, a member of the Party, kept his SS newspapers in a pile under his underpants in his bedroom drawer. Nelly, read then surreptitiously, munching through the sweets which she had pinched from the shop stockroom. A clear image of her childhood: stolen sweets, forbidden reading. What she finds much harder is recalling the whole pattern, the whole long horrendous build-up of the incidents she vaguely knew were out of key but somehow did not question. Like the sudden disappearance of her mildly mad Aunt Dottie, inevitable fodder for the exhumation programme. "Pretty insane, the whole thing", comments Lenka, restless teenager, on hearing of the demise of her great-aunt. Yes. Quite right.

This is a powerful book, a most extraordinary testament. Do not be disconcerted by its workmanlike style, that, peculiar to Germanic language of translation. In the end, in a way, it does the story no disservice, making Germany in wartime appear all the more surreal. For I think it is her vision of the fundamental strangeness of what seemed at the time a fairly ordinary childhood, in the bosom of a normal Nazi family in Landsberg, which makes Christa Wolf's narrative so moving, so convincing, such a necessary contrast to those cosy romantic wartime television dramas, wootsy epics of the *Wings of the War* variety, to which we in Britain are so vulgarly addicted. War is not a bed of roses. It is cruel, sharp and odd.

Fiona MacCarthy

Hempen homespun

British Design Since 1880

A Visual History

By Fiona MacCarthy

(Lund Humphries, £17.50, paperback £11.95)

I do not remember which of many generals told me, or more precisely, us, when lecturing to say what we were going to say, to say it, and then to say what we had said. Excellent advice and admirably followed by Fiona MacCarthy. All the same at one stage in *British Design Since 1880* I felt that if I read the name of that great designer Frank Pick again I should scream. I did.

Miss MacCarthy has put her history together clearly and persuasively. To those who know it makes a nostalgic read. I do sometimes wonder however whether she is not, quite often, writing with her tongue in her cheek. Certainly, having lulled all the earnestly endeavouring, tweedy, knickerbockered (I bet), pipe-smoking and exclusively male members of the Art Workers' and countless other well-intentioned guilds, groups and societies, into a fine haze of convivial self-satisfaction she does not hesitate to put her feminist boot in. No, it is, rather, a delicate flick of the coachman's whip behind the ear. This copiously and excel-

lently illustrated book is based on a sadly under-published exhibition "Homespun to Highspeed" which Miss MacCarthy, with creditable industry, organized for the Sheffield City Art Galleries in 1979, and is a worthy memorial of it.

After a longish essay on "The British Tradition in Design", at the beginning of which Miss MacCarthy lists what might be called her "Ten Wonders of the British Design World", she divides her text by decades and packs it almost too tightly for comfort with information on design thought and development, designers, patrons, manufacturers and retailers.

The final chapter looks into the future, and pretty gloomy it is. This country has invested more in design than any other. Has it paid off? Do we lead the world? Miss MacCarthy gives an uncompromising No! Interest in design is still a wholly middle-class pastime. Habitat is our only hope. The old order is gone. Old aesthetic values have lost their significance. Form is no longer seen to follow function, rather design follows a new, press function. A convector heater is no longer a square box but "takes the free form of a convector — heater — sculpture expressing, logically enough a puff of wind."

Gontran Goulden

highly praised by Graves. This West Indian poet, now in his fifties, has since gone his own way, as the poems in *The Fortunate Traveller* show (Faber, £3.95). Longish, all about spiritual displacement, between Europe and Walcott's own lush but troubled Antillean world.

Robert Nye

Paperbacks

Charlotte Mew: Collected Poems & Prose, edited by Val Warner (Virago £4.95)

In 1928, at the age of 58 Charlotte Mew killed herself by drinking half a bottle of lycol, possibly fearing she was on the verge of insanity. Four years before Virginia Woolf had been describing her as "the greatest living poetess", after similarly lavish praise, from Thomas Hardy and the although the admiration of Ezra Pound, who had published her in *The Egoist*, but she has sunk into obscurity. All in all it represents an excellent case for the Virago resurrection treatment.

It is a slender output for a lifetime: 26 poems, mainly short, 18 stories, 14 essays and a play. Yet she lived close to and received considerable encouragement from many of the literary talents who inhabited the late romantic, Georgian and early modernist eras in which she lived her creative life.

The prose gives the most obvious clue to this sparse-

ness of output: she had little to say. Obsessed with diffuse and vague notions of passion, her headlong leaps into swooning rhapsodic states of ecstatic love and metaphysical yearnings consistently fall through lack of control. Usually the fictive structure seems merely glued on to her drive towards the Beyond. Occasionally, as in *Spine*, when the opening suggests a whole new aesthetic distance, the ending spoils the story by narrowing the frame of reference too literally into the realms of Fate and Death.

At their worst the poems suffer the same faults of confused overstatement. But at their best the unique Mew voice emerges. It is unsurprising that Pound chose *The Fete* for inclusion in his *Journal*. Its images have a specific, solid and essential quality entirely lacking in the prose: "Tonight again the moon's white stretches across the dormitory floor."

And, more importantly she had material to work with: "The sunshine weaves a pattern on dull stones: the sunshine leaves the savannah of dreams upon the eyes." Pound must have seen immense promise but these turned out to be fragments from a talent that failed, for her poetry never improved on this, though it always maintains an ease and fluency which never surfaced in her prose. For today it may be worth noting odd, early suggestions of a Sylvia Plath-like tone in, for example *Beside the Bed*.

Bryan Appleyard

Mark Phillips
The Man And His Horses
By Angela Rippon

(David and Charles, £8.95)

In the biography section of this book, Mark Phillips is at home at Gatcombe, while Angela Rippon plies him with questions. He tends to be vague about things that do not interest him, but has total recall about equestrian matters. Then Miss Rippon goes out to watch the Captain train for Badminton. Here she tries her hand at the National Velvet style of writing: "The big black horse stood by the gate in the corner of his field, head down, hooves impatiently pawing at the ground... 'Come on, Lincoln! Shelley Whitbourne's shrill voice cut through the afternoon gloom...' (I longed for Stella Gibbons's asterick). Finally the Captain gives us some stirring advice on riding technique.

Two men emerge from this book. The first is the man who accidentally became the object of wide public scrutiny for casually becoming engaged to Princess Anne after a disappointing Badminton. There is much to confirm the wilder fantasies of *Private Eye's* Sylvie Krin. For example, the Captain was a nervous wreck at his wedding and during four days of his honeymoon being seasick. He fell asleep on a royal duty in Ottawa and stole an Olympic flag at Montreal.



Yet what of Mark Phillips, professional farmer and rider? One cannot help warming to him as the story unfolds. The life of the equestrian competitor is no easy one. There are strict diets and gruelling training schedules to maintain. The story is told of a trainer blowing smoke into the face of one rider with food poisoning so that she would retch before entering the arena. The Captain first rode at 18 months, fell off 78 times before he gave up counting, and was toughened up by trainer, Bertie Hill. He lost four teeth at Crookham Horse Trials, yet finished the course and stuck his teeth back. He entered Sandhurst the hard way and did well

there, represented his country in the Olympic Games and is the second ever rider to win Badminton four times. Miss Rippon makes it clear that he likes nothing more than football with his son, bathtime with his daughter, and a "cuddly watching television" with his wife. Miss Rippon is nothing if not thorough, but, significantly, she omits any reference to the Captain's lucrative contract with Mark McCormack, their mutual agent. The book might also have benefited from a professional appraisal of the Captain's riding from some of his fellow equestrians.

Hugo Vickers

Fiction

Returning
By Edna O'Brien

(Wendenfeld & Nicolson, £6.50)

A Time to Dance
By Bernard MacLaverty

(Cape, £6.50)

The sun still shines on the British Empire because apparently God does not trust us in the dark. Ireland is a different kettle of fish. "Not a day went by without both rain and news of a funeral," wrote Edna O'Brien of her youth. In *Returning* she goes back to illuminate this childhood; to exorcise its ghosts and to relive specific moments when illusions were defiled. What emerges from this collection of stories is the image of a gawky, sombre girl behind a village counter. From the back kitchen where her family

bake cakes and gossip, she rushes to tend customers who have come for gabbies and henfood. In the shop front she can escape the click of the rotary beads and indulge in curiosity and conjecture.

Many of the people she meets have been described in *Mother Ireland*. The hurly champion whom she has a crush on, his brother who tries to curfew with her against an iron gate, and Sister Imelda at the convent school, to whom she is such a favourite that she thinks of becoming a nun.

It is the author's mastery of detail which most catches the brittle, dislocating accents of youth. Her granddaddy's skin, "the colour of a 'clay pipe'" and "the biscuit-coloured walking sticks" of the mysterious Connor girls. The store counter remains a real barrier though. Adulthood is almost irrelevant, which would not matter if the narrator were more of a responsive partner in her experience of these formative years — and less of a sensitive voyeur.

Ireland has "always been a woman" to Edna O'Brien, and her men second class citizens with the gamey looks and evil eyes of tinkers. In his second collection of stories, Bernard MacLaverty homes in on this lack of communication between the sexes. Many of his characters suffer from some blinding disability. In the title story from *A Time to Dance*, Nelson is forced by his shrill, flirtatious mother to wear an eyepatch otherwise he would go "stark, staring blind". When he rips it off in

a club, it is not made clear whether he sees his mother's strip-tease: only that the sooner he goes blind the better. The humour is as bleak and raw as the landscape. There are touches, or rather smudges, of Trevor in "Phonefun Limited" which shows a fat teacher making people happy with a "phone call. Lighting a flag, swinging some gin, Agnes mouths simulated ecstasy down the line to her clients. "I'm lying here on my bed," she pos, "all I'm wearing are my undies". MacLaverty manipulates his characters in the same way. They are imperious rescues by his taut, knuckly prose. "Music is the most beautiful thing in the world," croons a tire-some piano teacher to her talented, pubescent pupil "Music is why I do not die."

As he plays, she makes her own low-key overtures in an open dressing-gown. They come to nothing.

Henri Troyat, who won the Prix Goncourt way back in 1938, returns to the novel to investigate a provincial French childhood. Sylvie (Aiden Ellis, £5.95) is a seven-year-old living with her grandparents while her widowed mother works in Paris. She presses her soft inquisitive muzzle against every available window-pane until she penetrates the mysteries and curious smiles of her vinegary, pious grandpa and her teasing grandpa. Troyat's achievement is considerable. He measures the pulse of a growing excited girl without being sentimental or patronising. "Why did the people she loved have to be changed into photos", asks

Sylvie when her grandfather dies. More is evoked through her inadequate response and her sensible innocence than any explanation given by people she reckons were born "old, tired and hostile".

Born in Moscow, Troyat would have been the same age when revolution crumpled the Empire. In the *Spark* (Hutchinson £7.95), Raymond Bowers has attempted a Russian novel on the grand scale. The chaos he depicts in Petrograd on the eve of the 1917 Revolution unfortunately overlaps into his story. One family's experience is not enough to guide us through the mass of shifting allegiances and different cliques claiming to personify the people's will. The reader remains on the level of confusion rather than above it. Where there is no discussion there is relentless narrative. The writer's only control is exerted by short, terse sentences. In the end, no wisdom is greater than a line. "The working-class we represent," boasts one suspect-turned-hero, "always should be confused, otherwise we'd never be able to represent it."

Nicholas Shakespeare

Poetry

Tom Disch is best known as a writer of science fiction. Until I read his collection *Burn* (Hutchinson, £7.50), I admit that wasn't aware that he wrote poetry at all. Having read it, I'm sure that he doesn't. Write poetry, that is, in the serious

Gravest sense of being impelled to some task of truth-telling for which prose is not sufficient. But Disch certainly writes poems, individual verbal constructs with a clearly-defined form and a pleasing mixture of wit and feeling. In another age a reviewer might have called him a skilful maker of Light Verse. But Light Verse having got itself a bad name, I had better fall back upon Gavin Ewart's description of this poet as "somebody with a games-playing mind".

The games Disch plays with words, styles, and stanza-shapes are good games. The poet wins a fair number of them, yet not so many that the reader grows bored. This may be considered as part of the act — clever jugglers always drop a plate or two to keep you watching for the moment when they don't.

Here he is with all his plates on the go in a sonnet called "A Bookmark":

Four years ago I started reading Proust. Although I'm past the halfway point, I still Have seven hundred pages of reduced Type left before I reach the end. I would be more than what Is happening now: he's buying crepe de chine Wraps and a real, well-documented For his imaginary Albertine. Oh, what a slimy sort he must have been — So weak, so sweetly poisonous, so full Four years ago, by God! — and even then How I was looking forward to the day I would be able to forgive, at last, And to forget Remembrance-of Things Past.

I do not, though, much like these absences, Which in no way resemble sleep, but rather miniature rehearsals, for that longer Disjointedness when I am not, and what Amazes is not likely to be these.

Death as "that longer, disjointedness" is nice, especially with the enjambement to rub it in.

I believe that the young Derek Walcott was also

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THE TIMES THURSDAY APRIL 29 1982

13

TOO MANY MEN AT THE HELM

To judge from Question Time on Tuesday, today's Commons debate on the Falklands threatens to be more partisan than those which have preceded it. But the House must be careful. The principles laid down at the first debate are still intact. The Government's strategy then, as now, was to undo the aggression, and thereafter be prepared to negotiate an agreement which would prevent such circumstances recurring. That meant that the Argentine troops had to be withdrawn from the islands before anything else could occur; but that, following such a withdrawal, Britain would recognise that the tension caused by the issue of disputed sovereignty lay at the root of the aggression, and would show willingness to discuss any ways to relieve that tension. The only condition was that any future agreement had to be consistent with the Islanders' security — as much, and certainly no less, than before — and with the vital strategic principle that no unprovoked aggression, anywhere in the world, should receive a gratuitous award if one is in a position to deny it. In other words, sovereignty could be arbitrated about, and then discussed on the basis of rights; but could certainly not be ceded under any kind of duress.

That was the strategic objective and the tactics to be employed in achieving it were, and are, a necessary mixture of negotiation and the counterforce deployment of the Fleet. It is therefore tactics — not strategy — that the House is debating today. In particular, it is the tactical balance to be maintained between negotiations and counterforce, between carrot and stick, between soft voice and strong arm.

There are two difficulties which the House should bear in mind. The first is over the nature of the Argentine Government with which Britain is trying to negotiate. The second is the safety of the British troops engaged in dangerous but necessary operations. The two are connected in the sense that, on both counts, the Prime Minister will not be able to take the

House fully into her confidence.

It is important in any dispute, even at the level of the family solicitor, to discover who speaks for the other party. In the case of Argentina, this has proved virtually impossible to discover, even for the United States, let alone for Great Britain. It is frequently possible to negotiate with dictators, and reach agreement with them because, by their nature, they have no wider constituency to worry about. That is not the case with the Argentine junta. It is not the case that President (or should it be Lieutenant General?) Galtieri has the power to make decisions and to see that they are carried through.

Even during Mr Haig's visits to Buenos Aires and more particularly since then, the Americans have found themselves unable to answer even the most elementary questions about the people with whom they are dealing in the Argentine leadership. What is the junta? Who decides for it? At every stage of negotiation there seem to be personal and inter-service rivalries which distort the picture. There are also colonels in the wings, apparently dictating different terms to those previously agreed round a table. It is like negotiating with a blamange. Indeed, it is not really a negotiation at all though that can scarcely be admitted by statesmen who realise that this apparent — though hardly real — process is all that stands between them and the inevitable extension of the military option which accompanies it.

That brings us to the second difficulty about today's debate. It is doubly clear that the momentum of negotiations — if that is what it can be called — is only kept going at all by the prospect of imminent military operations. If that prospect receded, it would expose servicemen to greater risks, but it would also increase the blamange-like properties of the junta's negotiating position. We would all be the losers.

Yesterday's announcement of the air exclusion zone is

consistent with everything that has gone before. It announced that Britain will from noon on Friday be in a position to deny Argentina any further supply or reinforcement to its invasion force. Equally it gives the junta 48 hours grace in which to comply with the United Nations resolution and withdrawal. Once the quarantine is established there are a number of military options open to the Government, but they should not be widely discussed in the House today. However it is not only the Fleet that cannot be allowed to withdraw for long in the inhospitable South Atlantic seas. Pressure must be kept up continuously, in the diplomatic sphere, economically and through military tactics to undo the aggression.

The mood in the House on Tuesday, and the correspondence between the Prime Minister and Mr Foot, suggest that the Government may be in danger now of losing the cross-party support that has sustained it so far. A bi-partisan approach reassures the country, and has impressed the rest of the world. It would be a pity to lose it; but, like peace, unity can be bought at too high a price. It is not yet even certain that the unity of the House, behind the Government's general strategy, is up for sale. It is conditional, and has always been so, and the conditions are simply being re-examined.

However, though Mrs Thatcher would be right to continue to listen to opinions expressed from all parts of the House, she is equally right to retain for the Government its freedom of manoeuvre, particularly in the military sphere, to do what it believes to be advisable without first having to take it out on the House of Commons, or to try it out on the United Nations. The strategy has been defined, and supported. To give a wider body now the chance to wrangle over the tactical details, without having the full facts on which to base considered judgments, would put more lives at risk in the South Atlantic than there are already. The House will have to exercise self-control.

NOT THE ANSWER FOR BRITISH AIRWAYS

Fiddling with management structures is rarely a solution to fundamental commercial malaise and is most unlikely to prove so in the case of British Airways. The decision of the corporation, with Cabinet backing, to announce a return to the old BEA-BOAC divisions of long-haul and short-haul operations has been presented as a return to all those good old-fashioned concepts of devolved management and profit centres. It may be. The measures seem to have been proposed by a lengthy and still confidential report on the corporation by accountants Price, Waterhouse. But the real impetus has rather different origins.

The Government is now in a hurry to show real progress in its plans to privatise the large public corporations and introduce private shareholding into British Airways. In the present parlous state of the air industry in general, and of British Airways in particular, and with the stock market uncertainties in the background, the chances of a successful BA sale have recently seemed slim. Restoring old operating divisions has the double advantage of seeming to do something and producing a separation of accounts that makes it easier to sell shares in, or the whole assets of the more successful

bits of British Airways, such as helicopters.

The idea is not without some management logic. The two halves of British Airways have never easily settled down together and many of its management problems have arisen from the inability of a badly-structured central management to overcome past rivalries. As so often in both private and nationalised industries, the result of large-scale mergers has been to produce more bureaucracy rather than greater economy. If a restoration of old loyalties can raise morale and help prune costs, so much the better.

What the reorganization cannot do, of course, is bring the corporation back to profitability within the two years envisaged by its chairman, Sir John King. BA's problems arise from running too many routes with too many staff and too little efficiency at a time of considerable surplus capacity in the market and much lower demand growth than expected.

The corporation is doing something about its overmanning. Already 9,000 have left under a voluntary redundancy scheme, and a further 6,000 may still have to go to get manning down to competitive levels. The new structure may do something for efficiency,

although it is hard to see that a series of divisions, each with its own apparatus of boards and overheads topped by still more central boards, will promote leanness. The only things that can be done to turn round the finances are to raise fares by international agreement (hardly a competitive stance for this government), to sell subsidiaries in hotels and helicopters (a likely development), and drastically to reduce routes (which involves political decisions about the nature of a flag carrier).

At the moment British Airways is a state airline operating in a world where state airlines and inter-state agreements determine market conditions. If the Government wishes to abandon this role, then it should sell British Airways entirely and let the market produce the operators and the routes. If the Government wants to continue using a flag carrier to support the aircraft manufacturing industry and to ensure a British presence on certain routes, then there is little to be gained by inviting private share ownership. The better course would be to sell off whichever parts are inessential to the main objectives of a flag carrier, and to promote efficiency by allowing open competition from private airlines.

In this respect Leo Bagrow's *The Maps from the Home Archives of the Descendants of a Friend of Marco Polo*, Image Mundi 5(1948):3-13, is of interest. But there is another reference to Marco Polo's China-relation which cannot be left out. Sir Aurel Stein, at the beginning of this century, describing his journey across the formidable deserts of Translaman and Gobi, makes reference 18 times in his *Ruins of Desert Cathay* to Marco Polo's account and its close comparison to his own experience.

Then, finally, it must be said that Marco Polo's record is one of the important sources for the obscure history and archaeology of Central Asia. It is enough to say here that this was accepted at a much later date through his version of the ruined cities of Karakhoja near Turfan in Xinjiang province and Karakoto at the oasis of Etsin Gol, in the province of Gansu, identified by Stein as Marco Polo's Etsin.

Yours faithfully,
JOHN BLACK,
63 The Woodlands,
Essex,
April 22.

Ordination of women

From the Reverend G. R. and Dr K. M. Curry

Sir, On what grounds does your leader writer assert today (April 22) that "the ordination of women is right in principle"? The Anglo-Catholic, according to his principles, says that such is contrary to the traditions and teaching of the Church, whilst the Evangelical says that the introduction of such a practice is forbidden by Scripture. One can only suppose then that this assertion is based on the so-called majority view of the middle-of-the-road "men" of the Church of England.

We would all do well to note carefully George Bernard Shaw's words: "The majority is always wrong; the minority sometimes right" before we do something that we will later regret.

Yours faithfully,
GEORGE CURRY,
KATHRYN CURRY,
St Stephen's Vicarage,
Clumber Street, Cradock Park,
Newcastle-upon-Tyne.

Polo's travels

From Mr John Black
Sir, Your "Focus on China" of April 14, had an article on Marco

Polo, "The Explorer's Tracks", in which some doubt is cast on whether Marco Polo ever visited China. It cannot be denied that Marco Polo embroiled on hearsay accounts and that he is on no Chinese historical records of the period but it must be said that an extraordinary number of scholars spent much time in in-depth study of his travels.

The basis of the case against Polo, in your article, is that he showed no interest in recording his travels until he was a prisoner of war in Genoa. There with a fellow-prisoner, Rustichello of Pisa, sometimes known as Rusticella de Pise, an author of romance novels in Franco-Italian, Marco told his story. Your writer would appear to consider, with some others, that Rustichello's version is the Polian Bible and all texts handed down are its descendants.

Did Marco Polo make notes and a memorandum during his long sojourn in the East? Did he recount something of his travels to fellow-Venetians and indeed his three daughters? Before he died about 1328, there is some evidence to prove that Marco Polo handed all his documents and maps to one Admiral Rugiero Sanseverino, referred to by his descendants as the "Ancestor".

Letters to the Editor

Laws of war applicable to armed conflict in the Falklands

From Mr Adam Roberts
Sir, As the crisis over the Falklands reaches its most acute stage the Government owes it to those most directly involved — especially our Forces in the area and the inhabitants of the occupied territory — to draw the application of the laws of war to this armed conflict and to the Argentine occupation of the islands.

The Government has got into a confusion of its own making about the applicability of the laws of war in general and the status of prisoners in particular. A statement made by a Ministry of Defence spokesman on Monday, April 26, and an answer by the Prime Minister in the Commons on the same day both indicated that the Argentine military personnel captured in South Georgia on April 25 and 26 are not prisoners of war. The Prime Minister's exact words were: "Those prisoners are not prisoners of war. A state of war does not exist between ourselves and the Argentine".

The British authorities seem unaware of the fact that the laws of war are applicable in cases of armed conflict or military occupation whether or not there is any formal state of war or declaration of war. This was explicitly recognized in 1946 in the judgment of the International Military Tribunal at Nuremberg, in statements regarding the German occupation of Czechoslovakia; and the same point is spelt out in common article 2,

which appears in each of the four Geneva conventions of 1949. It states, inter alia: "The present Convention shall apply to all cases of declared war or of any other armed conflict which may arise between two or more of the High Contracting Parties, even if the state of war is not recognized by one of them."

Argentina is a party to the Hague land war convention of 1864; Britain to the almost identical Hague land war convention of 1907. The terms of the latter convention (and annexed regulations) have been authoritatively viewed as declaratory of customary international law, and are binding on all states. In addition, both Britain and Argentina are parties to all four Geneva conventions of 1949. Both states are also parties to the 1925 Geneva Protocol.

The conclusion from all this is inescapable: that the laws of war have been fully applicable to the Argentine occupation of the Falkland Islands, and to the armed conflict in that area, ever since April 2, even if there is not a formal state of war.

In practice, both parties have so far conducted their hostilities with considerable care, but there are nevertheless grounds for concern about the observance of the laws of war. It is astonishing that the Government has failed to report publicly and in detail that the Argentine occupation of the islands is subject to numerous detailed provisions of the Hague regulations and of 1907 Geneva Convention IV — and that

certain of these provisions have apparently not been observed. It is also surprising that the Government has not expressly recognized that the military personnel captured on both sides so far must, under article 4 of the 1949 Geneva Convention III, be regarded as, and treated as, prisoners of war; article 117 of this same convention should also be noted: "No repatriated person may be employed on active military service."

Clarification is needed on these and many other points before, not after, the conflict worsens.

Yours sincerely,
ADAM ROBERTS,
Reader in International Relations,
St Antony's College,
Oxford,
April 28.

From Lord Perth
Sir, Lord Mishcon's letter of April 26 advocates letting the British know we are ready to submit our sovereignty claim to The Hague court. I agree. We should at the same time announce that three or more flags can fly while the court considers the case, provided resolution 502 is strictly followed.

Let us always remember that over the long term the welfare of the islands must depend on Argentina.

Yours truly,
PERTH,
House of Lords,
April 27.

The roots of crisis

From Lord Buxton
Sir, Possibly the first benefit of the present crisis is that nobody can afford to score party points following the Argentine invasion. The cupboard is full of skeletons which have been hidden away since 1965, because in the interval ministers of all parties have been misled by short-sightedness and misjudgment, however well intentioned.

The regular official references to "the cost of protecting 1,800 distant subjects" and the monstrous waste of British subjects with third world millions ("the islanders receive more aid per capita than any other country") have shown over and over again that Whitehall has never comprehended that the Falklands and South Georgia and the other Dependencies are the key to the political stability of the South Atlantic and the safeguard of the free world's future interests and opportunities in Antarctica. Even if only 10 Falkland islanders want to remain after this hideous and needless experience, this factor remains paramount.

Some of us are thankful therefore that at last we have a Government with the courage to acknowledge and redeem the fatal blunders of judgment which have cost our country in a matter of days the millions which would have been enough to protect the Antarctic interests of Britain and the West probably for half a century or more.

I had a long private talk with Señor Costa Méndez in Buenos Aires on February 22 and I make no comment here on my impressions, but his personal views on individual British ministers with whom he had contact during two terms of office over more than 15 years were revealing and allow nobody to claim that this Government alone bears the responsibility for the present catastrophic situation which at long last is being faced up to with firm resolution.

I am, Sir, yours faithfully,
BUXTON,
Suffrey,
Norfolk,
April 27.

From Mr Julian Cooper

Sir, I was born in Argentina of British parents, both British and Argentine, and have lived in Britain for many years, and was last in Buenos Aires in December.

I was appalled by the jingoism of your leading article "We are all Falklanders now" (April 5). But let me congratulate you for printing the article by Tony Emerson (April 24). His piece showed real insight, perhaps of a kind available only to someone who actually lives in Argentina.

Let me ask, Mr. former Labour Minister at the Foreign

Office, though rightly concerned in his article (April 26) about the welfare of the Falklanders, reveals a contempt for Argentina which would be unlikely to lead to a peaceful solution. To say that "the Argentines were revealed as 'chess' pieces" is not the language of effective diplomacy.

I believe it would be unwise to regard the retaking of South Georgia with the enthusiasm of a football supporter whose side has just scored. In terms of Britain's long-term interests, let alone the far more vital question of simple humanity in one's behaviour to other human beings, every Argentine death inflicted by Britain and every injury to Argentine self-respect is equivalent to our scoring an "own goal".

I telephoned my parents yesterday. They just outside Buenos Aires, retain their British passports, are now in their late seventies, and have lived peacefully in Argentina for over 50 years. They both said that since the crisis began they have been moved by the sympathy and kindness of their friends and neighbours, all Argentines, some of British descent and some not.

Seen from Buenos Aires, the Foreign Office advice to British subjects to evacuate Argentina, looks about as practical as suggesting that British subjects should evacuate Britain.

Yours faithfully,
JULIAN COOPER,
Flat 58 Grove Park Road, W4,
April 26.

From Mr John W. Lucas

Sir, It now sadly seems that Mr Haig's shuttle between London, Buenos Aires and Washington to secure peace in the South Atlantic has failed.

As he stated, time is running out. Who then can mediate? Surely it cannot be too difficult to realize that there is now only one government and country left on Earth that can try to abort war in the Falklands.

Spain has maintained a neutral balance in the last three weeks, abstaining in the UN Security Council. Spain is a democratic, western European monarchy, like us, with young men of good will in government and opposition.

Spain is joining Nato in the next few weeks and therefore, before the summer starts, will be our fully fledged ally. She also has stronger ties with the Argentine than any nation on Earth (with the possible exception of Uruguay). Most Argentines respect the old mother country, as they call Spain, and would possibly listen more to Spain than to the United States.

Some of us are thankful therefore that at last we have a Government with the courage to acknowledge and redeem the fatal blunders of judgment which have cost our country in a matter of days the millions which would have been enough to protect the Antarctic interests of Britain and the West probably for half a century or more.

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The civilized Lisbon agreements and the future conversations to be held in Lisbon on June 25 between Spain and the United Kingdom about Gibraltar are an excellent example of two civilized nations sitting down to talk.

Senor Costa Méndez, Senor Pérez Llorca, Mr Francis Pym: History is waiting for you.

From Mr John Dunnill and Mr David Parry

Sir, We feel we must write to express our disgust at the "mock-Churchill" comments of Mrs Thatcher, made on Sunday evening after the press statement by Mr Not concerning the successful assault on South Georgia by British Forces.

She called upon us to rejoice and congratulate the British Marines and sailors; yet are these not the same people she wants to make redundant in her pursuit of the ultimate nuclear deterrent? What would have happened if the Argentine invasion had happened next year, when many of the present personnel would have been made redundant, many of the ships scrapped or sold and dockyards essential to the refitting and servicing of the ships closed?

Mrs Thatcher is trying to make political capital despite her Cabinet's original misjudging of the situation. Will she still be claiming credit if British Marines and sailors are killed?

Yours faithfully,
J. DUNNILL,
DAVID ALLAN PARRY,
32 Hampton Road,
Cotnam,
Bristol,
April 25.

From Mr L. C. Humphrey

Sir, In the advertisement which you published yesterday (April 24), sponsored by Argentine citizens, it is alleged that because the Argentines held formerly uninhabited islands for a few years prior to their being taken by the British in 1833 therefore the Falklands belong to Argentina.

If the pages of history are to be turned back 150 years to justify claims to land, why stop at 150 years? Why not 300 or more? If this line is taken should not the present inhabitants of Argentina get out and hand that land back to the descendants of the Indians who were so cruelly dispossessed by Spain?

Yours faithfully,
LIONEL C. HUMPHREY,
Humphreys,
Coronation Road,
Salcombe,
Devon,
April 25.

Surgeon's hungry allies

From Mr A. A. Berends

Sir, A reproduction of Dr George Merryweather's "Tempest Prognosticator" using a dozen leeches in bottles (Letters, April 20, 24), shown at the 1851 Great Exhibition, constructed for the 1951 Festival of Britain Exhibition, is on view at Whitby, North Yorks, where it occupies a prominent place in the museum run by the Whitby Literary & Philosophical Society, of which Dr Merryweather was at one time Hon. Curator.

Though the concept of using leeches in such an equipment in bottles seems amusing it was certainly intended seriously at the time. Dr Merryweather confidently hoped that "our Whitby pygmy temples would be distributed over the world".

Yours faithfully,
A. A. BERENDS,
Hon. Keeper & Joint Hon. Sec. Whitby Literary & Philosophical Society,
Whitby Museum,
Pannett Park,
Whitby, North Yorks.
April 26.

From Mr S. B. Jackson
Sir, Should not "Surgeon's hungry allies" be "Surgeon's thirsty allies"?

Yours faithfully,
S. B. JACKSON,
17 Lingsfield Close,
Northwood,
Middlesex

Stock Exchange Prices

Equities advance

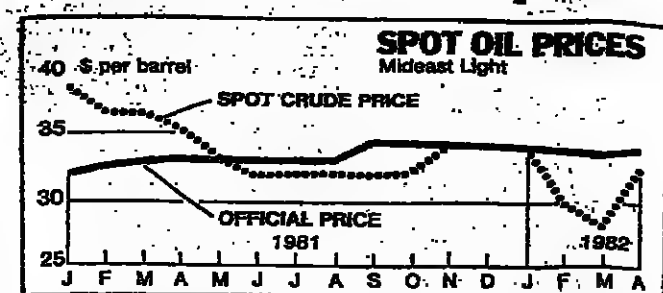
ACCOUNT DAYS: Dealings Began April 19 Dealings End Today 5 Contango Day, April 30. Settlement Day, May 10.

§ Forward bargains are permitted on two previous days.

[illegible]

BUSINESS NEWS

Market cheers Opec



To the satisfaction of leaders of the Organization of Petroleum Exporting Countries, prices of oil on the "spot" market have risen significantly in the past few weeks. Cargoes of Arabian light crude oil have risen from \$28 a barrel to \$32.50 a barrel since last month, although this is still below the official contract price of \$34 a barrel. North Sea oil has also risen on the spot market, from below \$30 a barrel to \$35 a barrel - which is \$4 a barrel above the official price. The rise reflects Opec's production cuts and the political situation in the Middle East.

City editor to step down

Mr Patrick Sergeant, city editor of the *Daily Mail* for more than 22 years is planning to leave his post but will continue to write for the paper. Mr Sergeant is the highest paid director of Associated Newspapers, earning £256,000 last year. No decision has been taken on a successor although Mr Kenneth Fleet, city editor of the *Sunday Express*, is believed to have been involved in talks.

Oilfields 'will go ahead'

Development of the "T Block" complex of North Sea fields postponed because of falling oil prices and high North Sea taxes, will go ahead eventually, Mr Hector Watt, managing director of Lamsco, a partner in the field, said yesterday. "There is no doubt it is going to be developed, but what we are talking about is the timing," he added. Phillips Petroleum, the field operator, has cancelled initial design contracts and is studying cheaper production methods.

Construction orders decline

New construction orders fell by a further 4 per cent in the three months to February 1982 compared with the same period last year, the Department of the Environment said yesterday. The level was unchanged in comparison with the previous quarter's figures. The largest fall in new orders came from the public works sector which dipped 21 per cent while public housing rose by 78 per cent over the same period a year ago.

Waiver move

Sketchley, bidding for Means Services, the United States car rental business, has waived that its \$33 (£18.75) a share offer be conditional on Means tendering no less than 50.4 per cent of its shares due to the counter offer at \$37 from ARA Services.

MARKET SUMMARY

BAT shares leap 37p

LONDON EXCHANGE

FT Index 575.3 up 5.1
FT 100 67.70 down 0.02
FT All Share 329.39 up 1.51
Bargains 15,267

BAT, the tobacco dealers, brought a ray of sunshine to the stock market, as its unvalued profits well above the most optimistic forecasts up 43 per cent at £88m, with the shares leaping 37p to 460p.

Elsewhere a healthy crop of trading news helped the FT index to a 5.1 rise to 575.3 its highest level since early February, with the weight of institutional funds set to go into the equity market continuing to mount.

To bin and nervous trading condition besetting equities continues to be a feature of the gilt market as well where the strength of sterling saw modest gains of up to 1 1/2% across the board.

Blue Circle produced final profits falling somewhat short of expectations but it failed to effect the shares, up 6p at 468p. Ahead of trading news today ICI put on 2p at 322p while Marks & Spencer gained 3p at 161p.

WH Smith celebrated a 31 per cent profits jump with a 10p gain to 166p while laboratory supplies group Whitman Reave Angel responded to more than tripled earnings leaping 35p to 293p.

The long awaited bid from S Pearson for Pearson Longman duly appeared, leaving S Pearson off 11p at 236p and Pearson Longman 1p firmer at 237p.

COMMODITIES

Prices on the International Petroleum Exchanges bounced back again yesterday. With only a few days to run, the April contract rose £11 to £307 a tonne. But May closed at £298, up 23, hardly reflecting more Falkland Islands tension. Dealers also feel Opec may have been successful in restraining oil output.

Other softs were quiet, with the exception of cocoa. April added £32 to £967 as the contract began to expire. But May also rose, closing at £976, a tonne compared with £976. Amid light trade and commission house business, soyabean oil futures slipped between \$1 and \$4.25 a tonne.

Metals did not respond to the possibility of more fighting in the South Atlantic. Copper was virtually unchanged, although tin did show some movement. Cash metal was £33 higher at £7,185 a tonne and three months closed £20 up at £7,362.

TODAY

Interims: Aberdeen Trust, A Aronson, Audio Fidelity, Ben Bailey Construction, Hoover (1st cit), ICI (first cit figs) S Simpson, United Wire.
Finals: Henry Boot, BSG Intl, De Vere Hotels, Downhills, Flight Refuelling, Highcroft Inv, Holyrood Rubber, Hongkong (Salar) Rubber, Hongkong (Salar) Rubber, Kuala (Salar) Rubber, Marks and Spencer, Moss B, Office and Electronic Machines, George Wimpey, Yule Gatto.
Economic Statistics: Energy Trends.

Threat to stability of international finance

Argentina's debt spurs loan fears

From Bailey Morris, Washington, April 28.

As concern over Argentina's debt grows, political and economic leaders in the United States are beginning to question the unchallenged ability of large banks to make marginal loans which threaten the stability of the international lending system.

The fragility of Argentina's economy and its dependence on continued lines of credit from private banks underscores the influence on the world economy of a few interested financial institutions, these critics contend. Some influential members of Congress, including Mr Henry Reuss, chairman of the Joint Economic Committee, want to hold hearings on the ability of banks to make large international loans to determine if a world economic crisis is developing.

If Argentina goes into default on the heels of Poland's inability to repay its debt and fears that Romania will follow, it could trigger a financial crisis of undetermined proportions, some political and economic leaders believe.

Mr Albert G Hart, Professor of Economics at Columbia University, raised this possibility in the *New York Times*.

"Not since the days of John Law has the world economy depended so heavily on new, untested and rashly managed financial institutions and practices," Mr Hart said.

He advocated new policies governing the lending practices of big banks which make huge loans to financial shaky countries such as Argentina and continue to arrange rollovers of these loans when the countries are unable to repay the debt.

"The fallibility of big bankers has been illustrated by their allowing unsustainable debts to pile up, as in Argentina, thus postponing rather than obviating the need to shape a permanently viable financial structure."

The financial practices of the big banks have come under attack for political and economic reasons.

German banks evade limit

From Peter Norman, Bonn, April 28

A number of large West German banks have been using subsidiaries at home and abroad on an increasing scale to circumvent the strict prudential controls intended to limit a bank's overall lending to 18 times its paid up capital and open reserves.

Hitherto unpublished figures show that at the end of 1981 17 of West Germany's largest banks had lent DM54,000m (£12,980m) more than would have been possible if capital ratios were applied by law to the consolidated accounts of the parent banks and their wholly-owned and nearly wholly-owned subsidiaries.

The figures give the first insight into how the banks are getting round the spirit of official regulations and a gentleman's agreement reached last summer between the German federal bank (the Bundesbank), the banking supervisory office in West Berlin and 31 of the country's largest banks. After much arm twisting, the 31 mainly private sector banks agreed to supply the authorities with consolidated accounts each quarter from September last year to enable them to see how far total lending was related to the banks' capital resources.

The consolidated figures show that at the end of 1981 17 banks had granted credits in excess of the 18 times capital sum reserves available to them and the subsidiaries covered in the gentleman's agreement. Nine banks had exceeded their national credit limit by between 10 and 50 per cent.

The gentleman's agreement reflected growing concern by the West German authorities about current banking risks, particularly in international lending. The end-December figures show a worsening of the situation compared with September 30, when the banks sent their first set of figures to the authorities.

The authorities can now be expected to step up pressure for legislation to make consolidated accounts the compulsory basis for West Germany's prudential controls. At present West Germany is behind other European countries like Switzerland and Holland which have tough prudential controls on bank lending.

Savoy 'ready for' Forte takeover fight

By Philip Robinson

The Savoy Hotel group headed by Sir Hugh Wootton announced yesterday that he would be back making profits this year and was prepared to fight off any further takeover attempt by Trusthouse Forte hotel chain.

Lord Forte is free to mount a second takeover bid on June 19. That is a year after his first £67m bid failed to win control, but left his group holding 66.25 per cent of the 'A' non-voting shares.

He has vowed to return, but Mr Eric Hartwell, Trusthouse joint chief executive refused to discuss the company's plans last night.

Savoy denies that it has been in merger talks with Trusthouse, but Mr Giles Sheppard, Managing director, said: "One always has to be prepared. It's an unpleasant situation when someone holds a large block of shares and makes no secret of the fact that they want to own you."

The group points out that directors, family and friends still hold more than 50 per cent of the vital B class of voting shares.

At the time Trusthouse was bidding, the Savoy, which includes the Berkeley, Claridge's and Simpson's-in-the-Strand, was making heavy losses. But in September last year the pound

dropped in value against the dollar, American visitors began to return and Savoy says it made £5m pre-tax profit in 13 weeks.

On total income, up £2m to £30m for the 12 months to the end of last December, Savoy cut its pre-tax loss from £1.7m to £504,000. The £7m it received from Landmark by selling it the east block for flats and offices has been used to clean the balance sheet and should cut debt charges in the current year by £1m. Last year interest charges rose from £1.2m to £1.3m.

Savoy is paying an unchanged gross dividend on the B shares of 0.8207p and on A of 1.6414p.

Boost for invisible exports

By Our Financial Staff

The United Kingdom's invisible export earnings should be helped this year by an estimated growth of 5 to 6 per cent in the net earnings of seven leading service industries.

In its annual survey the Committee on Invisible Exports says that it also expects gross receipts from inward tourism to rise by 3 per cent in real terms. The monetary volume of world invisible trade is expected to rise in some sectors, but only in banking is the increase expected to exceed inflation.

Slight gains in the United Kingdom's share of world markets are expected in all except the aviation and shipping sectors. The overall increase in earnings for the insurance sector is put at 3 to 4 per cent, and about 5 per cent for brokers.

Among the London clearing banks the weighted average expected increase is 13 per cent. For the Accepting Houses, the figure averages 10 per cent.

The volume of overseas business won by the banks is expected to grow sharply, with North America and South East Asia seen as favoured areas for expanding loan business. British banks also expect to increase their share of international banking business.

Equity turnover on April 27 was £133.57m (£13,389 bargains), Gareth Davis

Setback for Rolls-Royce aero-engines sell-off

By Edward Townsend, Industrial Correspondent



Lord McFadzean: caution on privatization hopes

Government hopes of returning the state-owned Rolls-Royce aero-engine maker to the private sector took a further knock yesterday when the chairman Lord McFadzean told MPs the privatization depended upon the British Government matching the aid provided for the company's United States competitors.

At the same time, Lord McFadzean told the Commons Select Committee on Industry and Trade that Lockheed's decision to phase out production of the TriStar airliner could cost the British company between £50m and £70m in lost profits by the late 1980s.

The chairman's comments on Rolls-Royce's future profitability and its potential attractiveness to private investors comes after statements to the committee in February by Mr Norman Lamont, Minister of State at the Department of Industry, indicating that the Government did not consider a public sale of Rolls-Royce to be feasible for the next two or three years.

Lord McFadzean said that Rolls-Royce's United States competitors, Pratt and Whitney and General Electric,

Rolls-Royce, which was taken into state ownership after its collapse 11 years ago, made a net loss of £3m in 1981 compared with a loss of £27m in 1980 and is planning to break even next year. The Government announced this week that the company would receive an additional £50m in equity capital and £57m in launch aid this year.

Yesterday, Lord McFadzean was reluctant to predict when the company would return to profitability, much depended on the state of the aircraft market and the success of the company in winning new orders. However, he was confident that the company would win business in the late 1980s from civil aircraft manufacturers as the result of the retirement of an estimated 3,000 older airliners, mostly 707s, DC8s and 737-100s.

He forecast that Rolls-Royce would be making profits by next year from sales of the RB 211-22B engine - which powers the TriStar - but would require "considerable development aid" for the 524 and 535 derivatives in the next five or six years.

Tax threat to US companies

By Lorna Bourke

American companies operating in Britain have been threatened with taxes on profits they make anywhere else in the world. This would be retaliation for similar taxes in some parts of the United States.

Mr Michael Grylls, chairman of the Conservative back-bench industry committee, is proposing measures because 13 American states impose such taxation and two more are considering similar action.

He expects amendments to be made to the Finance Bill now going through Parliament.

Mr Grylls said: "Our patience is running out and there is increasing pressure to take retaliatory action."

Some 60 British companies have banded together to fight the imposition of worldwide taxation, led by BATs, Bowater and EMI. "There are a lot of people who feel very strongly and I expect amendments will be tabled in the next few weeks," Mr Grylls said.

The system has operated in five American states for more than two years and the total has now reached 13. Companies are taxed on profits made anywhere in the United States or the rest of the world. Multinationals see this as double taxation.

The most recent double-taxation treaty between Britain and the United States was ratified in March 1980 and made no provision for relief for British companies in those states which apply unitary taxation on worldwide profits.

Mr Grylls and others made known their reservations concerning this omission but were assured that negotiations were taking place with the United States to rectify the situation. Since then there has been virtually no progress.

Harland gets £47.6m Whitehall handout

By Rupert Morris

Harland and Wolff, the loss-making Belfast shipbuilder, is to receive £47.6m of Government money in its financial year, Mr James Prior, Secretary of State for Northern Ireland, announced yesterday.

The yard has received £216m in special assistance since it was nationalized in 1975. It employs nearly 7,000 people in West Belfast - an area highly sensitive to threats of job losses.

Already more than 4,500 jobs have been put in jeopardy by the financial collapse of the De Lorean car company, now in the hands of the Official Receiver.

Dr Vivian Wadsworth, Harland and Wolff chairman, has warned of up to 1,000 redundancies this year if orders do not improve dramatically.

The announcement is certain to be received with scepticism among Conservative back-benchers who are anxious to see an end to taxpayers' support of nationalized industries.

Mr Prior said yesterday in Commons answers: "In return, the company will take all steps necessary to reduce its operating costs and improve efficiency. It must also demonstrate that this continued level of support is justified by increasing competitiveness so that the heavy burden on public funds can be progressively reduced."

He is to meet national trade union representatives next week, and last night Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, said: "We accept that there's overcapacity in Harland and Wolff, but we will oppose any job losses."

The company's book is clearly inadequate, with a 170,000 tonne deadweight bulk carrier for British Steel, authorized by the Government yesterday, only taking the total up to five ships. The shipyard is working full time at the moment, but there has been short-time working in the engine plant in recent weeks.

Mr Michael Grylls, chairman of the Conservative back-bench industry committee, said last night: "This latest handout is not creating any more jobs and shows a lack of discipline in trying to phase out the taxpayer's commitment."

Insider deal charges

By Our Financial Staff

A married couple were sent for trial to Croydon Crown Court by Croydon magistrates yesterday on charges under the Companies Act of 1980.

They are John William Titheridge and Joyce Titheridge of Warren Road, Sidcup. Mr Titheridge is accused of obtaining information from his wife and, knowing it to be unpublished price-sensitive information relating to the shares of Joseph Stocks

and Son, (Holdings), he bought 12,500 ordinary shares in that company.

His wife is charged with counselling or procuring her husband to deal in securities knowing or having reasonable cause to believe he would deal with them on the Stock Exchange.

This is the first prosecution of its kind brought in England under the Act, although there has been one in Scotland.

Jessel, Toynbee PLC

Bill Brokers and Bankers
Members of the London Discount Market Association

Preliminary Statement

The profit is stated after providing for rebate, taxation, and all expenses (and in 1981 after transfer to reserve for contingencies):

	1981/82	1980/81
Net profit	£ 344,498	£ 1,115,721
Ordinary dividends		
Interim paid	230,824	230,824
Final proposed	428,673	428,673
Balance carried forward on profit and loss account	£82,014	1,007,013

The proposed final dividend is 3.25 pence per share making a total net distribution of 5.0 pence per share (1981 same).

The annual general meeting will be held on Wednesday, 9th June 1982 at 4.00p.m.

The proposed final dividend will be paid on 10th June 1982 to all shareholders on the register at 13th May 1982.

	5th April 1982	5th April 1981
Capital and published reserves	£ 5,989,497	£ 6,304,496
Loans and deposits etc.	263,525,347	264,480,361
	£269,514,844	£270,784,857
Cash at bank and amounts receivable	£ 3,617,784	£ 703,920
British Government Treasury bills	1,618,070	29,214,289
Commercial bills - sterling	195,751,374	122,056,522
Sterling certificates of deposit	38,291,788	18,898,817
U.S. dollar loans and deposits	-	23,244,162
British Government and corporation securities, local authority bonds and other investments - Listed	10,483,215	57,044,399
Unlisted	19,772,813	19,802,748
	£269,514,844	£270,784,857

BUSINESS NEWS/FOCUS AND COMMENT

INTERNATIONAL



JAPAN

Widening in trade surplus gap

Japan's visible trade surplus in the fiscal year 1981, ended last month, widened sharply to \$20,480m (£11,536) from a \$6,770m surplus a year earlier, the Finance Ministry said.

Exports rose 10.9 per cent to \$149,590m, while FOB imports rose 0.7 per cent to \$129,110m.

Overall balance of payments deficit in fiscal 1981 stood at \$7,360m against a \$380m deficit a year earlier. The current account balance turned into a \$5,950m surplus from a \$7,010m deficit.

Mr Douglas Fraser, United Auto Workers president, citing "horrendous" rates of unemployment among United States car workers, said yesterday in Tokyo the Japanese industry must "put jobs where their sales are."

He also told the American Chamber of Commerce in Japan that General Motors' new small-model cars were a "gigantic miscalculation."

Export contracts concluded by Japan's 13 main trading companies went up a brisk 27.4 per cent in March from a year before, mainly because of a surge in contracts for plant shipments to oil-producing countries, the Japan Foreign Trade Council announced yesterday.

Import contracts climbed a healthy 17.3 per cent in the month.

The Tokyo Government will work out a new five-year economic and social programme for 1983-87, aiming at a lower average annual economic growth rate than the 5.1 per cent set under the present five-year programme for 1979-85.

FRANCE

The National Statistics Institute, the state-run data gathering agency, yesterday said in its monthly survey of 2,000 heads of industry in France that production had stagnated in April and had now spread to all sectors including industries producing consumer goods, which up to now had remained buoyant.

The survey said that industrialists involved in producing capital feared a slowdown in their output levels in the next few months because of flagging demand from the domestic and export markets.

Industrialised countries should create more favorable conditions for coal consumption as a cheap alternative to oil, the International Energy Agency in Paris urged yesterday after a two-year study of the industrial use of coal in the 24-member nations of the Organisation for Economic Cooperation and Development.

AUSTRALIA

Australia's March level of production by the manufacturing industry was higher than that during February for 14 of the 28 key items for which seasonally adjusted figures are compiled.

Despite a fairly stagnant overall picture, the Statistics Bureau said, significant increases for raw steel (up 22 per cent to 643,000 metric tonnes), and cars (up 16.8 per cent to 35,100 units). Import decreases were in the domestic appliance group with a 11 per cent refrigerator 18.5 per cent and washing machines 7.5 per cent.

A test of the Amadeus gas exploration well East Mercedine in Australia's northern territory flowed oil at 320 barrels a day. The flow was from the 4,815 to 4,903 feet section and the well is now preparing to drill ahead at 4,903 feet.

SWEDEN

The Swedish government has revised its 1982-83 fiscal budget deficit forecast downwards to Kr75,700m (£7,082m) from Kr82,600m.

The country's net foreign borrowing is expected to account for between Kr12,000m and Kr14,000m.

NETHERLANDS

The Dutch seasonally adjusted index of industrial orders in hand, base January 1978, rose to 98 in March from 97 in February, the Central Statistics Office said.

The index stood at 90 in March last year. The office said its latest survey of industry showed industrial activity was steady in March and no change is expected for the next three months.

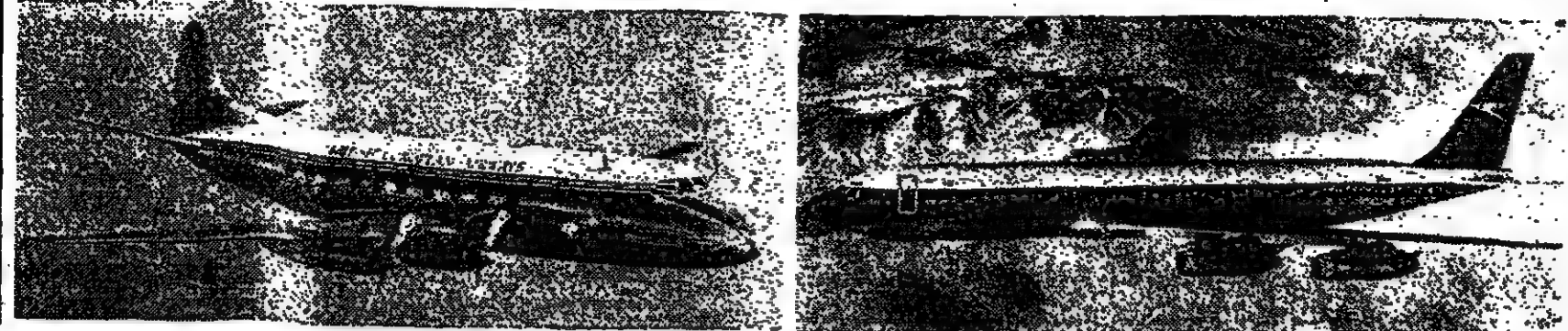
SINGAPORE

The trade deficit widened 1,502 million Singapore dollars (£395m) in March from \$1,165m a year earlier and \$1,290m in February, on preliminary calculations.

Imports rose 12 per cent to \$5,473m while exports rose only 6 per cent to \$3,971m.

In the quarter, the deficit widened to \$4,575m from \$3,244m a year earlier.

British Airways: Sir John prepares for take-off



Sir John King, British Airways chairman, announced a major new structural plan yesterday which involves splitting the ailing state airline into "profit centres". BA moles have been campaigning to have the airline returned to its constituent parts — British Overseas Airways Corporation and British European Airways — and will hail the announcement as a victory. Sir John is preparing the airline, which will lose as much as £250m in 1981-82, for privatization.

Arthur Reed reports

British Airways should fly into profits by 1983-84 as a result of radical restructuring announced yesterday by chairman Sir John King and moves to cut staff taken last year. But opinion in the airline industry is that such actions should have been taken 10 years ago.

The early 1970s saw the merger between BOAC and BEA. This was going to reduce wasteful duplication between the two state airlines, specializing in long distance and European services respectively. It would make it the biggest and most competitively powerful operator in the world.

The idea was sound but it foundered in practice because its proponents failed to recognize that rather than doing away with duplication there would be enormous doubling up of staff which would in turn lead to poor productivity. What was also not foreseen was that workers would feel very little loyalty to a conglomerate whose numbers peaked at 58,500 three years ago.

Sir John King, brought in by Mrs Thatcher to steer the ailing leviathan back on track and to prepare it for privatization, was not the first chairman of the airline to spot these central disabilities. But Sir John was fortunate enough to arrive at a time when the atmosphere in Britain was right to make feasible the massive changes that were needed. The 17 unions which represent staff and workers within the airline were prepared, against a background of recession in general, and in the international airline industry in particular, to cooperate with redundancy plans.

Since last August when BA announced what it called its "survival plan" 9,000 employees have gone or have said they will go so that by the end of May the total workforce will be down to 42,000. The cost in payoffs,

at up to £105m, is high, but is seen by Sir John and his deputy chairman and chief executive Roy Watts as an investment in both efficiency and profits for the future. But even at 42,000 BA is still overmanned compared with most of its major American competitors. Further redundancies can be expected and the airline is likely to finish up with 35,000 workers — which would make it very competitive.

What is seen as a lack of loyalty and motivation among some of those who remain is now to be attacked by Sir John by splitting the airline into a number of profit centres each with its own managing director easily identifiable to his own staff. Each of these divisions will be given tough financial targets, and the jobs of the managing directors may depend on their being met.

Within this ruthless commercial environment, the divisions will have a lot of scope for decisions making including recommending to the main board the sort of new airliners which they would like — and not like. They will buy services such as catering and engineering from the group, and will even be allowed to go outside the airline for such services if not satisfied with the price or quality on offer from within.

Whether a BA division would ever be allowed to buy its maintenance services from, say Air France is doubtful, but the threat of such a switch is an obvious spur to BA's employees. Recently the airline contracted

out some of its flight catering to a subsidiary of the Scandinavian airline SAS, so saving itself £3m a year.

Sir John King took his idea of profit centres from the private industry sector and in particular his own giant engineering group Babcock and Wilcox and Marks and Spencer whose high street shops he cites glowingly as ideal examples. He is in the forefront of those who believe that the scheme should have been introduced at the time of the merger, rather than after a decade of disaffection and disputes between staff and management and in recent years, horrendous losses — £140m in 1980-81, and as much as £250m in 1981-82 when the redundancy payments are accounted for.

Splitting the airline in what appears to be a series of mini-airlines will, or so Sir John's philosophy runs, restore interest and pride in the airline among the staff, and give a much harder edge to competitiveness. BA's "moles", members of management who, for the past 18 months or more have been carrying out a clandestine campaign to have BA returned to BOAC and BEA, are presumably joyful at Sir John's decisions.

But the chairman of the airline has some justification in denying hotly that his action is a return to the pre-1970s situation — although the loyalists which he expects to be engendered in the future are those which marked out the two old companies.

The new structure appears to be a sensible halfway house between splitting back into separate airlines, which was never a serious possibility, and the monolithic structure into which BA ossified.

Having introduced stages one and two of his survival plan, Sir John is briefing staff that there could be a

stage three if the anticipated financial turnaround does not happen. But the feeling within the industry is that the medicine now prescribed should bring the patient round, and the chairman will now devote much of his time planning to fulfil the central theme of his brief from Downing Street — to move BA out of the public and into the private sector.

It is a path to which he is totally committed seeing BA as a company which lives in a hard competitive world and evincing no reason why the British taxpayer should be called on to make good the airline's losses.

But to make BA attractive to private investment as was British Aerospace when it went to the market, he has to have profits and the promise of financial security in the future. An easy way out in the short-term would be to sell some of the more successful BA subsidiaries, such as International Aeradio whose activities include making aviation electronic equipment and training air traffic controllers, and British Airways Helicopters which services the North Sea oil industry, from its base at Gatwick.

But Sir John is not necessarily ready to go down this road, although he is apparently sceptical as to why the airline should be a partner in a number of hotels dotted around the world, some of them relics of the days when passengers had to be accommodated overnight during lengthy flying boat journeys with BOAC. In the meantime the airline is selling off its more immediate unwanted assets. The College of Air Training at Hamble, near Southampton, has gone for £5.2m; the airline's only Boeing 747 freighter has been turned over to Cathay Pacific, a British airline based in Hong Kong; and the former head office and air terminal at Victoria London is on the property market.

Splitting the airline in what appears to be a series of mini-airlines will, or so Sir John's philosophy runs, restore interest and pride in the airline among the staff, and give a much harder edge to competitiveness.

Bankers starting to 'think small'

PERSPECTIVE: MERCHANT BANKING

By Sally White



The move towards centralization in merchant banking where over the last 150 years the vast majority of groups have concentrated in the City of London has left a substantial gap. There are signs that the situation may be changing.

alternative to the famous clearing bank or merchant banking names is generating new independent regional merchant banks. But the greatest incentive is coming with the Government's efforts through provision of funds and tax concessions to create new small companies. Local financial groups are obvious middle-men to introduce the entrepreneurs to the investment money.

Noble Grossart in Edinburgh was set up by Mr Angus Grossart, who came from the Scottish bar, in 1969 and has now developed far south of the border and overseas as well. Darlington however seeks to emulate the policies of East Anglian Securities based in Norwich.

Doubts are voiced by Mr Grossart as to whether provincial banks could develop as grandly as Grossart because Edinburgh is a major financial centre. Edinburgh has also been an expanding financial centre because of North Sea oil. Against that background Noble Grossart had been able to attract such corporate clients as James Gulliver of Alpine Holdings

Wise Speke in Newcastle, Stock Beach in Bristol, Parsons in Glasgow, Albert E Sharp in Birmingham and Henry Cooke, Lumsden in Manchester — are all servicing new and established companies in their local financial communities. Some of these brokers also offer specialised investment services.

Talented individuals are the vital factor, according to Mr James Ferguson of the major Scottish based investment group, Stewart Fund Managers, who have a 40 per cent stake in East Anglian. "I think that there is a case for East Anglian, but I am not convinced that there is generally a case for small merchant banks to be set up over the country. On the other hand there are opportunities for talented individuals," he said.

What Darlington and East Anglian have in common is founders who wanted to do business locally, and wanted to be entrepreneurs themselves. "We aim to give a personal service," is Mr Johnstone's theme — so with all Darlington's and East Anglian's services. Staff in national groups are switched around, so that even in a High Street branch the man behind the desk could be no less of a stranger than the one in the City. The aim is to save the businessman's time by being on the doorstep, to know his track record and financial credibility; as well as what his business needs and to take the formality out of discussions on complicated financial technicalities. And a chat with that top man to discuss all financial worries is simple to arrange.

That in both Darlington and East Anglian's cases includes the personal and company investment area as well as corporate finance.

East Anglian, with present capital at £1m has been going since the mid-1970s. Mr William Jacob is currently the managing director there, the original founders having moved on. "We believe that there is a gap in the market between the very small and the medium-sized company — the company looking for something between £50,000 and £1m. It becomes too expensive for the City. There needs to be another nought on the end."

More small banks will undoubtedly emerge now that there are so many incentives for professional financial employees to seek a stake in the equity of their own companies, while themselves helping to set up new entrepreneurs.

Business Editor

Fraser looking over its shoulder

According to Professor Roland Smith, part-time chairman of House of Fraser, the two London representatives on the Fraser's board made several positive contributions at yesterday's meeting.

The Professor did not go into details, but it left the City wondering why Britain's largest stores group lifted the final dividend eight per cent despite lower pre-tax profits, including a 20 per cent decline in the important second half.

Fraser points out that the payment is more than twice covered at least on a historic cost basis. But it must presumably feel itself under pressure from Lomro (with its near 30 per cent shareholding) as the latter turns its attention to persuading the Department of Trade that its objections to a takeover have now been largely overcome.

For the 52 weeks to January 30 Fraser's sales rose 5 per cent to £826m while trading profit dipped from £46.5m to £34.9m, the third consecutive fall. However, lower financing costs and a sharp fall in the tax charge (from £10m to £3.3m) has left earnings per share unchanged at 16.3p.

Although the group does not break down the profits figures, it is reckoned that as much as half now comes from the Knightsbridge store Harrods. The provincial chains, such as Binns, and the Scottish operation probably account for much of the remainder.

The directors have said their first objective is and improvement in the profitability of the traditional department store business, and it seems likely that more of the stores will come under review this year.

Meanwhile, the group continues to expand its new Astral Sportswear chain, is making more use of the Harrods name and has started to make more of the financial services it has to offer. But the market was unimpressed with yesterday's results — the shares slipped 2p to 156p — and Fraser must remain vulnerable until the benefits of the present management exercise start to come through in the form of rising profits.

S Pearson Strategy

This time S Pearson has handled the purchase of the 36.4 per cent of Pearson Longman not already owned in a sensible fashion; and so it had to alter the embarrassing contraptions with PL institutional shareholders, which socked a deal four years ago.

The terms are reasonable, there is a cash alternative, and also thrown in is a profit forecast of sorts (they will be 1982).

A merger will enable the group to expand without incurring conflicts of interest, and while tax advantages will accrue with S Pearson as the 100 per cent owner. Moreover, now that PL has secured following its investment programme, it did not make sense to have the whole of PL debt on Pearsons books and only 63.6 per cent of the equity.

But if the financial structure looks neater, the 1981 figures from both companies have a curate's egg look about them. The Financial Times profit rose from £2.12m to £3.26m with the Frankfurt operation contributing at last. It remains to be seen how great a threat the planned acquisition of a European edition of the Wall Street Journal will prove. However, Westminster Press fared less well due to the recession in job advertising. Although Doulton's profits dipped sharply, the profits acquisition is at last proving its worth.

Pearson's strategy for the next 10 years must depend heavily on electronic publishing, video, cable and satellite television, as well as expansion in the high quality education market in the United States.

In order to achieve this strategy, it would be no surprise if the group disposed of some inessential bits of the business, and concentrated its sights upon the new technology of the "global village" and the thirst for knowledge in developing countries.

Building socs Safe as houses?

The building societies have now fallen into line with many other consumer groups, from banks to tour companies, and produced a formal industry funding scheme to protect depositors in the event of trouble.

There has, of course, been no recent case of building society savers having to suffer loss in the event of problems arising. In the case of minor troubles, societies have usually been rucked safely under the wing of larger brethren, as much as anything to maintain confidence. In the case of Greys, where a serious deficiency arose, the Woolwich took

WHSMITH W.H. Smith & Son (Holdings) PLC

Results 1981/1982

	1981/82 £million	1980/81 £million
TURNOVER	773.0	681.1
TRADING PROFIT	23.3	18.9
Net interest payable	2.2	2.8
PROFIT BEFORE TAX	21.1	16.1
Taxation	8.4	5.7
PROFIT AFTER TAX	12.7	10.4
Extraordinary items - loss	4.0	1.0
NET PROFIT	8.7	9.4
per 50p share		
Earnings before extraordinary items	14.9p	12.3p
Dividend for the year	5.25p	4.6p
* TURNOVER UP		13.5%
* PROFIT BEFORE TAX UP		31.2%
* CAPITAL EXPENDITURE		£16.4 million
* DIVIDEND INCREASE		14.1%

For copies of our Annual Report and Accounts and the Staff Report please write to the Company Secretary at Strand House, 10 New Fetter Lane, London EC4A 1AD on or after 20 May 1982.

De Beers:

The long-range outlook judged from the consumer market gives good reason for optimism

Extracts from Mr H F Oppenheimer's Statement on De Beers in 1981

The recession in the diamond industry which began in the middle of 1980 continued and deepened throughout 1981 and the end of the year. Sales by the Central Selling Organisation (CSO) fell, measured in Rand, by 42 per cent to R1 249 million and, measured in US Dollars, by 46 per cent to \$1 472 million and the Group's net profits, excluding its share of the retained profits of associates, fell by 46 per cent from R668 million to R364 million. Stocks of diamonds increased during the year by R705 million to R1 403 million. Sales to the market this year have been running at higher levels in dollar terms than in the second half of last year but a further increase in diamond stocks is anticipated during the year. In these circumstances the Board concluded with great regret that prudence required a reduction in the final dividend from 50 cents to 25 cents resulting in a total dividend of 75 cents for the year of 50 cents (which was twice covered) as compared with 75 cents (covered 2.5 times) in 1980. The reduced dividend reflects both the continuance of the world recession and our determination to carry out our traditional stabilising role in the industry. It would add that the Company has arranged facilities with its banks, made possible by the conservative dividend and sound financial policies of the past, which are ample for its requirements.

The fall off in the demand for diamonds is concentrated in the larger and finer qualities including in particular the so-called 'investment' goods in which speculation during the boom years was especially concentrated. These sizes and qualities normally account for a large proportion of the CSO's sales. Sales of the smaller sizes and lower qualities have generally speaking been satisfactory and the demand for diamond jewellery particularly, though not exclusively, at the lower end of the market has continued throughout at a high and encouraging level. The market for the rare and more expensive forms of jewellery is adversely affected to a much greater extent than the rest of the market by the unprecedented levels of speculation particularly in America. In previous statements I drew attention to the obvious dangers of speculation in the cutting centres at particular prices and on this account the recession in the diamond industry started sooner and is perhaps deeper than the world economic recession as a whole. This speculation was largely financed by bank credits and it is satisfactory to see that by now largely on account of the policy of withholding diamonds from sale when the market is depressed, the level of bank credit in the leading cutting centres has been substantially reduced, in some cases by as much as 50 per cent, and is now generally speaking at a reasonable level. This reduction strongly suggests that the special reasons which existed for the recession in the diamond industry are a fair way to being overcome and that the continuation of a low level of sales reflects adverse economic conditions in general to a greater extent than circumstances peculiar to the diamond industry. We cannot expect prosperous conditions in our industry at a time of world depression and in particular while interest rates remain at their present high level. However, any improvement in the world economy and in particular in business conditions in the United States should be rapidly reflected in the diamond industry.

'... any improvement in the world economy and in particular in business conditions in the United States should be rapidly reflected in the diamond industry'

In November of last year the CSO, in order to lay a sound basis for recovery as soon as general business conditions improve, made important modifications in the manner of presentation of diamonds to the market. The sales assortments were altered so as to allow our customers to fit their purchases more accurately to their individual requirements in the new market conditions. It is essential for any trading organisation to be alive and sensitive to changing needs and conditions and we are satisfied that the new selling arrangements we have introduced will help to preserve the value of diamonds and to protect the stability of the trade. The state of the market for those diamonds which are bought wholly or partly for investment is a matter of considerable significance, mainly from a psychological point of view since they have never made up a large proportion of the world-wide trade in polished diamonds. Diamonds have proved good investments over the years so long as they have been bought at prices

which bear a reasonable relationship to the level of rough diamond prices maintained and protected by the activities of the CSO. However, diamonds bought at high premium prices in times of speculative boom are obviously not likely to prove good investments. During the boom the prices of the so-called investment diamonds rose out of all control and at one time the price of top colour flawless brilliants of one carat weight which had acquired a quite unreasonable importance as a market leader and indicator rose to about \$65 000, a figure which had no relation whatever either to the cost of the rough from which such stones are manufactured or to the price which they could even in good times be expected to command as an item of jewellery. This particular description — the '1 carat D-flawless brilliant' — is only one of many classifications of polished diamonds of which minimal quantities are produced each year. The prices currently quoted for this particular article (and there must be some question as to the number of transactions actually concluded) are low in relation to the corresponding prices of rough. This would certainly suggest that although demand at the investment end of the market remains very restricted a sound psychological basis has been established for a resumption of growth in overall sales of rough diamonds as soon as economic conditions improve.

During 1981 production was reduced both in Namaqualand and at CDM and total mining expenditure excluding Jwaneng, the new mine in Botswana which started production at the beginning of this year at R513 million was less by R39 million than in 1980. Group production for 1982, excluding Jwaneng, has been further reduced and is estimated to amount to 13 794 000 carats as compared with 15 438 000 carats in 1981. In spite of this reduction working costs

'It is satisfactory to be able to report that consumers are continuing to react as favourably as ever to diamonds and to the traditions associated with them.'

(excluding Jwaneng) at R415 million are estimated to be higher by R55 million than last year, an indication of the rate of inflation. On the other hand we estimate it will be possible to reduce capital expenditure (excluding Jwaneng) to R119 million, a reduction of R34 million below the comparable 1981 figure so that the total expenditure at the mines is estimated to show a net increase of only R21 million as compared with last year.

We have thought it right, while making every effort to avoid waste, to make a significant increase in our expenditure on promotion and advertising and here there will be increased emphasis on the marketing of the larger, better quality diamonds. It is satisfactory to be able to report that consumers are continuing to react as favourably as ever to diamonds and to the traditions associated with them. It is estimated for example that in 1981, some 70 per cent of all first-time brides in America acquired a diamond engagement ring, and the ownership of diamonds by American women in general has been rising steadily to the extent that last year more than one in ten acquired a new piece of diamond jewellery. We are actively opening new consumer segments such as men's diamond jewellery. In the other leading markets, Japan and Germany, the corresponding figures have been rising towards the levels in the United States and the use of diamonds has also been increasing satisfactorily in the other European countries, in South East Asia and also in Latin America. Generally speaking, therefore, the long-range outlook judged from the consumer market gives good reason for optimism.

The general business recession was felt in the market for industrial diamonds also, but nevertheless total sales only declined slightly. Sales of natural industrial diamonds continued to lose ground in relation to synthetic products partly because of technical improvements in the synthetic field and the entry of new synthetic producers into the market and partly because of the fall off of production from Zaire. The new mine recently discovered in Australia to which I make reference below will in about three years' time become an important producer of industrial diamonds and we shall make every effort to develop the market in a way as to allow for the absorption on satisfactory terms of the output from this new source.

In the course of the year our long-standing agreement for the marketing of the production of the Miba mine in Zaire was terminated by the Government of that country. We naturally very much regret this development but its importance can easily be over estimated. Miba

production has decreased over some years and the prices obtained by the mine have recently declined with the result that the total realised value of this production is now under \$45 million per annum. While this is a significant figure it does not make up an important percentage of world diamond production.

The important discovery recently made in Western Australia by the Ashton Joint Venture (AJV) — the Argyle mine — will produce very large quantities of diamonds similar in quality to those produced in Zaire. Argyle will be a very big mine indeed with the highest recovery grade anywhere in the world. A major part of its production will consist of so-called 'near gem' qualities and 'industrials', and when the mine reaches full production its output of these qualities will make up more than half of the total produced in the world. Argyle's output of gem qualities, while significant, will amount to only a comparatively small proportion of world production. Production on a moderate scale from the gravels surrounding the mine is due to start in the second half of this year and production from the mine itself will probably begin in about three years' time. An agreement has been reached in principle between the CSO and the major partners in AJV in regard to the marketing of this potentially large and unusual production. It is intended that subject to AJV's right to extract diamonds on an agreed basis for the purpose of establishing their own cutting factory in Australia, the CSO should market the Argyle gem production on an exclusive basis and that the 'near gem' and industrial qualities should be marketed as to 75 per cent through the CSO and as to 25 per cent by the AJV directly, in recognition of its special position in this sector of the market. Details of an agreement along these lines are at present in the course of negotiation.

In spite of depressed conditions we are continuing prospecting activities on a large scale on the African continent and elsewhere, particularly in Australia and South America. The cluster of pipes on the farm Veneda in the Northern Transvaal to which I referred in my statement last year are being sampled through surface trenches and shafts and the ground treated in a heavy media separation plant. Much work remains to be done before a definite valuation of these deposits can be made. In South West Africa/Namibia prospecting inland along the Orange River has given very encouraging results. Application has been made in response to enquiries put out by the South African Government for prospecting rights for diamonds offshore at various locations along the Namaqualand coast.

'We are well equipped to see through what may yet remain to be faced of this time of depression and to take full advantage of better economic conditions when they return.'

Our investments outside the diamond industry were valued at the year-end at just over R3 000 million. Two important changes have been made in their composition: in the course of last year we exchanged our holdings in Consolidated Gold Fields (Congold) and in Anglo American Corporation of Canada (Amcan) for additional shares in Minerals and Resources Corporation (Minorco). This was part of a reorganisation by which Anglo American Corporation of South Africa similarly exchanged its Congold and Amcan holdings and also its 36 per cent interest in Charter Consolidated for new Minorco shares. The effect has been substantially to enlarge and strengthen Minorco and to put it in a better position to expand its business. Our interest in the enlarged Minorco amounts to 23 per cent. In January of this year De Beers Industrial Corporation (Debinco) was merged with Anglo American Industrial Corporation (Amic) and our interest in the combined company amounts to 25 per cent. The enlarged Amic is a powerful and well diversified industrial group with total assets of about R2 700 million. Through this reconstruction we have acquired an improved growth and earnings potential in the industrial sector together with a wider spread of interests.

The year has been an exceptionally difficult one — indeed we have not gone through such hard times since I entered the business fifty years ago during the depression of the 30s. The structure of the trade built since then is, however, standing up firmly to this severe test. Our problems are no longer specific to the diamond industry but are world wide in nature. We are well equipped to see through what may yet remain to be faced of this time of depression and to take full advantage of better economic conditions when they return.

The treatment plant at the Jwaneng mine in Southern Botswana. Owned in partnership with the Government, Jwaneng was commissioned in January and is due to reach its initial rated capacity of 4.8 million tons per annum during the second half of this year. It is probable that the recovery grade will be higher than any other mine in this Group and the diamonds produced will be of medium quality. Jwaneng is probably the most important Kimberlite pipe discovered anywhere in the world since the original discoveries at Kimberley more than a century ago.

De Beers

De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa

For the full Report & Accounts for 1981 including the Chairman's Statement, please send this coupon to: The London Secretaries, Room 2, 40 Holborn Viaduct, London EC1P 1AJ.

Name

Company

Address

هذه رسالة الإعلانية

SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY

Notice is hereby given that the following General Meeting of the Members of the Society will be held at the Society's Office, 15 Dalkeith Road, Edinburgh, on the 24th day of May 1962 at 2.30 p.m for the following purposes:-

- To consider the accounts and balance sheet for the year ended 31st December 1961 and the Report of the Directors and Auditors.
- To elect Directors.
- To fix the remuneration of Directors.
- To appoint Auditors.
- To read, if thought fit, the following Resolutions, recommended by the Directors.

"That the remuneration of the Directors for the year ended 31st December 1961 be fixed by the Directors of the Society."

To transact any other ordinary business of the Society at an Annual General Meeting.

Forms of Proxy for the use of Members of the Society who are unable to be present at the Meeting may be obtained on application to the undersigned.

To be effective Proxies must be lodged at the Society's Office not less than two clear working days before the time for holding the Meeting.

C M CAYVE
General Manager & Secretary

15 Dalkeith Road Edinburgh
EDIN 5BU
Glasgow 10, 1962

NOTE: A copy of the Report will be sent on request to any member who would like to have one.

Slightly Dangerous to reign supreme

By Michael Phillips, Racing Correspondent

Slightly Dangerous, the unbeaten filly that Harry Eddery has been riding since she was a yearling, is a private sale last week, can go some way towards justifying her colossal valuation by winning the 1,000 Guineas at Newmarket today.

When a horse bred the way she is — to stay a mile and a half — shows as much speed as she did at Ascot last autumn, and again at Newbury last winter, it is not surprising that the owners are most encouraging.

Another indication that Slightly Dangerous could be exceptional was that she won her first race this season, and won it in style, when the majority of her stable companions were known to be backward and in need of a race.

While conceding that gallopers can be misleading, it should be pointed out that Steve Causton, having ridden both her and her stable companion, the promising Merlin's Charm, last Friday and on Tuesday. He is in a good position to judge her.

My feeling is that the Fred Darling Stakes, which Slightly Dangerous won, was a better trial than the Nell Gwyn Stakes at Newmarket the day before, and I know that Pat Eddery, who rode Harry's filly, Zinzara, and On The House, in these two trials, takes the same view.

Today Eddery rides Merlin's Charm, who appears to have the beating of Slightly Dangerous. The House on their Newmarket running.

Likewise, Slightly Dangerous should have the measure of Zinzara, whose half-sister, Quick As Lightning, won this classic two years ago.

What I liked about Slightly Dangerous at Newbury was the manner of her victory. As soon as she was in command she was back on the wire with her ears pricking, looking every inch a potential champion.

When Lester Piggott gets the leg up on the favourite, Play It Safe, this afternoon he will be wearing the same green-and-white colours that he wore at Epsom last June, when he won the Oaks on Blue Wind.

Wind, though, was trained in Ireland. Play It Safe has travelled from France, along with another of today's winners, Exclusive Order.

Piggott was on Play-It-Safe when she won the Prix Marcel Boussac at Longchamp last October, and the Prix Imprudent at Maisons-Laffitte at the beginning of this month.

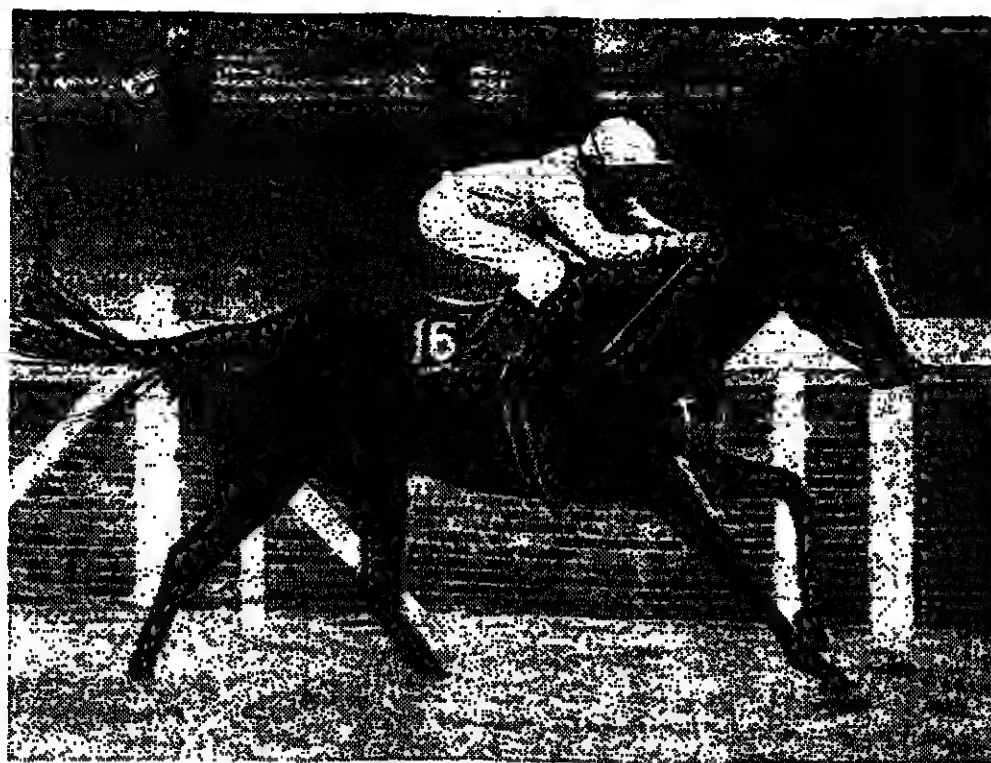
She is firmly entrenched as the favourite now that Circus Ring has been withdrawn but for value Exclusive Order could be a more attractive bet to finish in the first three places, as she did beat Play It Safe by half a length at Deauville last August.

More recently she was runner-up to River Lady, who is widely regarded as the best three-year-old filly in France, and the likely winner of their equivalent classic at Longchamp on Sunday.

Another who might finish in the first four is Time Charter, who looked much improved and very forward when he bolted home by five lengths at Kempton Park on Easter Monday.

Celestial Park and Dione are the others who have won this spring. There is a doubt about Celestial Park lasting a mile, even on fast ground, but no quails concerning Dione, who has won three races in a row, including one in France. But runners in today's field of 15 are not expected to be out of the running.

With Favosole, Mr Florio, Paternoster Row, Shalala, Top Creator and Touching Wood.



Slightly Dangerous: won the Nell Gwyn Stakes in impressive style

all standing their ground, we are assured of a good race for the Heather Stakes, which is the main supporting race on today's programme.

Likewise, Touching Wood's only race last autumn, also argued well when he finished third on Paradise Terrestre. Our Newmarket Correspondent, who has been following Touching Wood really well in a gallop last Saturday, Top Creator caught my eye during the previous meeting at Newmarket when he finished seventh in the race won by Favosole.

No matter how slightly Dangerous fares in the big race, Mr Abdullah seems likely to see at least one of his ever-increasing string of racehorses because all the talk is that Fine Edge can fly and that he will be hard to catch in the May Maiden Stakes. By Sharpen Up and out of a mare called Metair, who was herself a good sprinter, Fine Edge certainly has plenty of fast blood in his veins.

Electric's win fails to spark visions of Epsom glory

By John Karter, Racing Editor

For experts, however, their field, ending up with egg all over the face is an occupational hazard and those involved in the exact science of horse racing have more than their share of face wiping to do.

However, it was difficult not to agree with the water of post-race prognostications that Electric, who won yesterday's White Rose Stakes at Ascot, would not emulate his illustrious former stable companion, Shergar, by going on to glory at Epsom.

As a classic trial the White Rose has certainly not excelled in previous years. In recent years, after last season it was won by Cut Above, who went on to win the St Leger.

Electric is to win a classic it could well be that Doncaster provides him with his best chance because he outstayed the fastest-looking Crossways, who came to challenge inside the final furlong, and Michael Stoute is confident that he needs further than yesterday's one and a quarter miles.

Electric, who is quoted at around 20-1 for the Derby, is a race runner in the Lingfield Trial. The blakeny colt was bred by one of his owners, Bob McCracken, who owns him in partnership with Raymond Clifford-Turner (the owner of that useful filly Triple First) and Colin Ingelby-Mackenzie, the former Hampshire cricket captain.

Of course, come June 2 we will probably be kicking ourselves that we did not take the 20-1 after Electric sailed home.

More immediately though, we were made to feel pretty stupid yesterday that we did not wait in and help ourselves to the £1.0m prize money early on, Horage, who starting at the still generous price of 6-1, on the Garter Stakes in the style of the best two-year-olds last season so far.

Horage's trainer, who can provide even Pat Rahan with a bit of competition when it comes to a touch of the blarney, told us that he could not understand why all the so-called experts considered yesterday's race to be a match between the other two unbeaten horses, Brondesbury and Black Gaspar.

"My horse beat Astima at Ayr far more easily than Black Gaspar had beaten the same horse on the same course," he said. "He was a certainty today."

Horage looked poised to collar Brondesbury, who is such a fast starter he would probably do well in American quarter-horse racing — a long way out and has five lengths to spare at the line.

Pat Eddery said that he had been all of 15 lengths behind the leader at one stage and there is no doubt that the horse needs six furlongs. This he will get in his main objective, the Coventry Stakes at Royal Ascot in June.

In the meantime, McCracken, who obviously believes in letting racehorses do what they were bred for, has put Horage at Salisbury next week and then at Haydock Park.

Eddery had earlier ridden Castellan to win the Mono Sagaro Stakes at Longchamps, his way through the field in the straight to win going away from Highlyn, who is clearly not the back number many had thought and the disappointing favourite, Halabury, who was found short of pace when it mattered.

Castellan was strongly fancied for last year's Cesarewitch but by Halabury, but ran too freely. He will now attempt to keep his owner in check for about the next year of so by winning next week's Chester Cup and the enormous bank of Cheshire that goes with it.

Guy Harwood's horses are steadily coming to their best and he was given further encouragement by Horage's victory in the 2,000 Guineas when Indian King readily won the Autostar Victoria Cup from Bodeghe, the gambler of the afternoon.

Harwood hopes to win a group race such as the Prix du Palais Royal at Longchamps or Newbury's Hungerford Stakes with Indian King, who is well enough bred to make a decent stallion.

Kareena, who was sympathetically handled by John Reid to win the Autostar Stakes in the Aga Khan's colours, will be ridden by John Reid, who is the sort of gutsy, improving filly who could pay to follow in the highest class.

John Reid: successful on Kareena

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1,000 Guineas Field

3.10 1,000 GUINEAS STAKES (3-y-o fillies: £75,830: 1m) (15)	
301 1110-1 CELESTIAL PATH (D) Downes C. Mangan (9-0) G. Piggott 10	
302 1110-2 DIONE (D) Downes C. Mangan (9-0) G. Piggott 10	
303 1110-3 EXCLUSIVE ORDER (D) Downes C. Mangan (9-0) G. Piggott 10	
304 3111-1 CLAUDE (D) Downes C. Mangan (9-0) G. Piggott 10	
305 001-00 BLESS (D) Downes C. Mangan (9-0) G. Piggott 10	
306 001-00 HELL (D) Downes C. Mangan (9-0) G. Piggott 10	
307 401-2 MELINDA CHARM (D) Downes C. Mangan (9-0) G. Piggott 10	
308 011-00 EMERALD (D) Downes C. Mangan (9-0) G. Piggott 10	
309 011-00 EMERALD (D) Downes C. Mangan (9-0) G. Piggott 10	
310 011-00 EMERALD (D) Downes C. Mangan (9-0) G. Piggott 10	
311 011-00 EMERALD (D) Downes C. Mangan (9-0) G. Piggott 10	
312 1-1 SLIGHTLY DANGEROUS (D) Downes C. Mangan (9-0) G. Piggott 10	
313 011-00 STRATOSPHERE (D) Downes C. Mangan (9-0) G. Piggott 10	
314 011-00 STRATOSPHERE (D) Downes C. Mangan (9-0) G. Piggott 10	
315 20-3 TRIPLE TRIPLE (D) Downes C. Mangan (9-0) G. Piggott 10	
316 1111-0 WARM HEARTED (D) Downes C. Mangan (9-0) G. Piggott 10	

Rest of the Newmarket programme

4.15 2,300 GUINEAS STAKES (3-y-o colts and geldings: £2,678: 5f) (9 runners)	
401 1110-1 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
402 1110-2 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
403 1110-3 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
404 1110-4 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
405 1110-5 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
406 1110-6 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
407 1110-7 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
408 1110-8 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
409 1110-9 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
410 1110-10 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
411 1110-11 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
412 1110-12 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
413 1110-13 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
414 1110-14 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	
415 1110-15 AMERICAN BORN (D) Downes C. Mangan (9-0) G. Piggott 10	

Newmarket selections

By Our Own Racing Correspondent

2.00 Fine Edge, 2.30 Touching Wood, 3.10 Slightly Dangerous, 3.40, Old Dominion, 4.15 Military Band, 4.45 Ricard.

By Our Newmarket Correspondent

2.00 Sayil El Arab, 2.30 Touching Wood, 3.10 Triple Triple, 3.40 Bracade, 4.15 Military Band, 4.45 Ricard.

Hereford NH

2.15 HOLMES HURDLE (Stallions: £250: 2m)	
215 1110-1 HOLMES HURDLE (Stallions: £250: 2m)	
216 1110-2 HOLMES HURDLE (Stallions: £250: 2m)	
217 1110-3 HOLMES HURDLE (Stallions: £250: 2m)	
218 1110-4 HOLMES HURDLE (Stallions: £250: 2m)	
219 1110-5 HOLMES HURDLE (Stallions: £250: 2m)	
220 1110-6 HOLMES HURDLE (Stallions: £250: 2m)	
221 1110-7 HOLMES HURDLE (Stallions: £250: 2m)	
222 1110-8 HOLMES HURDLE (Stallions: £250: 2m)	
223 1110-9 HOLMES HURDLE (Stallions: £250: 2m)	
224 1110-10 HOLMES HURDLE (Stallions: £250: 2m)	
225 1110-11 HOLMES HURDLE (Stallions: £250: 2m)	
226 1110-12 HOLMES HURDLE (Stallions: £250: 2m)	
227 1110-13 HOLMES HURDLE (Stallions: £250: 2m)	
228 1110-14 HOLMES HURDLE (Stallions: £250: 2m)	
229 1110-15 HOLMES HURDLE (Stallions: £250: 2m)	

Hexham NH

2.30 HAYDON CHASE (Handicap: £1,000: 2m)	
230 1110-1 HAYDON CHASE (Handicap: £1,000: 2m)	
231 1110-2 HAYDON CHASE (Handicap: £1,000: 2m)	
232 1110-3 HAYDON CHASE (Handicap: £1,000: 2m)	
233 1110-4 HAYDON CHASE (Handicap: £1,000: 2m)	
234 1110-5 HAYDON CHASE (Handicap: £1,000: 2m)	
235 1110-6 HAYDON CHASE (Handicap: £1,000: 2m)	
236 1110-7 HAYDON CHASE (Handicap: £1,000: 2m)	
237 1110-8 HAYDON CHASE (Handicap: £1,000: 2m)	
238 1110-9 HAYDON CHASE (Handicap: £1,000: 2m)	
239 1110-10 HAYDON CHASE (Handicap: £1,000: 2m)	
240 1110-11 HAYDON CHASE (Handicap: £1,000: 2m)	
241 1110-12 HAYDON CHASE (Handicap: £1,000: 2m)	
242 1110-13 HAYDON CHASE (Handicap: £1,000: 2m)	
243 1110-14 HAYDON CHASE (Handicap: £1,000: 2m)	
244 1110-15 HAYDON CHASE (Handicap: £1,000: 2m)	

Plumpton NH

2.15 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
215 1110-1 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
216 1110-2 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
217 1110-3 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
218 1110-4 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
219 1110-5 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
220 1110-6 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
221 1110-7 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
222 1110-8 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
223 1110-9 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
224 1110-10 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
225 1110-11 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
226 1110-12 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
227 1110-13 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
228 1110-14 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	
229 1110-15 DOUBLE GLOUCESTER HURDLE (4-y-o colts: £500: 2m)	

Perth NH results

2.15 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
215 1110-1 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
216 1110-2 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
217 1110-3 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
218 1110-4 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
219 1110-5 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
220 1110-6 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
221 1110-7 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
222 1110-8 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
223 1110-9 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
224 1110-10 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
225 1110-11 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
226 1110-12 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
227 1110-13 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
228 1110-14 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	
229 1110-15 1st Julekian (2-1), 2nd Apollo (5-4), 3rd Perth Wood (12-1), 4th NR: R. R. R.	

Racing for the millions

The United States plans to stage the richest day's racing ever — a seven-race spectacular with prize money and awards totalling \$15m (around £8m). The event is scheduled for the last Saturday in October 1984, and will probably take place in New York, either at Aqueduct or Belmont Park.

The day's principal race will be for three-year-olds and up, at weight-for-age. Over 14 miles in the dirt, it will carry prize money of \$5m.

A similar race on turf will be worth \$2m, and four other events will each carry a \$1m purse.

These are a 14-mile contest for three-year-old fillies and mares, a furlong event for three-year-olds, one for colts and geldings and one for fillies.

Even the jumpers will share the rich pickings. There will be a \$2m steeplechase, for three-year-olds up, with a total prize of \$500,000.

The moving force behind the scheme is John Galt, who owns the world's stables at his Gainesway Farm, in Kentucky. Stud owners will be asked to pay half the cost of the nomination to make the property eligible for their stallions eligible.

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Tuesday's late racing results

2.30 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
230 1110-1 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
231 1110-2 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
232 1110-3 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
233 1110-4 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
234 1110-5 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
235 1110-6 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
236 1110-7 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
237 1110-8 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
238 1110-9 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
239 1110-10 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
240 1110-11 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	
241 1110-12 1st Mycenae (100-30), 2nd Nauticus (13-7), 3rd Par-O-Docus (7-1), 4th Irish Grandeur (3-10)	

